

Wisconsin Central Railway



Wisconsin Central's most significant predecessor, the Wisconsin Central Railway (WCR), originated with the drive to build a railroad through the state to the shores of Lake Superior in the late 1860s. At that time, the state's population numbered fewer than a million souls. In the north, wilderness reigned - vast tracts of dense forest, dank swamps, and turbulent rivers. But northern Wisconsin and Michigan's upper peninsula contained a wealth of resources - timber, iron ore, copper. And the only practical means of moving these resources to eastern markets was by rail.

- → Wisconsin Central Railway
- Sault Ste. Marie Bridge Company
- Fox River Valley Railroad
- Green Bay and Western Railroad
- Algoma Central Railway



After the Civil War, the federal government offered a land grant to encourage construction of a rail line from the central part of the state to Lake Superior. Within a few years, most of the contending railroads had consolidated into a single company, known initially as the Portage, Winnebago and Superior Railroad. Then on February 4, 1871, the railroad changed its name - and the Wisconsin Central Railroad Company was born.

Judge George Reed, WCR's first president, was the driving force behind the railroad, later coming to be known as the "father" of the Wisconsin Central. Reed won the land grant - almost two million acres in exchange for building a rail line north from Menasha to Ashland on Lake Superior, then west to Superior at the western tip of the lake - then rushed to attract financial backing.

At first, construction proceeded smoothly. The 63-mile stretch through well-populated territory from Menasha to Stevens Point opened on November 15, 1871, to great rejoicing. Then the trouble began. The area north of Stevens Point was wild and largely uninhabited. Two work crews inched their way along the surveyed route, one north from Stevens Point, the other south from Ashland.

By October 1873, they had succeeded in laying 30 miles of track from Ashland to Penokee Gap. But another four years would pass before WCR bridged the final 57 miles between Penokee Gap and Worcester, northernmost point on the line from Stevens Point. Finally, on June 2, 1877, the last spike was driven, and WCR was in business from Ashland to Menasha.

However, by that time WCR was on the ropes. Although business was booming, the debt it had incurred to complete the line now threatened to sink the young railroad. In January 1879 two trustees were appointed to take possession of the company and protect shareholders' interests. Working with general manager Frederick N. Finney, the trustees implemented vast improvements throughout the railroad.

WCR's best hope for prosperity now lay in making the railroad a strategic link between large western lines and the key centers of Minneapolis-St. Paul, Milwaukee, and Chicago. First, WCR set its sights on St. Paul. In 1880 it built a line to Chippewa Falls, where it connected with the Chicago, St. Paul, Minneapolis and Omaha Railroad (CMO). But WCR's managers disliked depending on CSM&O and made plans to extend their own line into St. Paul.

CMO was not amused. Whenever a WCR work crew tried to build a crossing over the CMO line, CMO workers would gather in force, bearing the tools of their trade - crowbars and pickaxes - to intimidate WCR's men. Lawsuits and injunctions flooded the courts. Finally, general manager Finney ordered his men to cut the CMO line in the dead of night, install the crossing, and drive a WCR train straight through. This tactic broke CMO's blockade - and in December 1884, WCR trains began rolling into St. Paul.

Even before WCR reached St. Paul, it introduced direct service to Milwaukee, using the line of the Chicago, Milwaukee and St. Paul Railroad (CM&SP). CM&SP also agreed to haul WCR's sleeper cars through to Chicago. But relations between the two railroads soured, so WCR decided to extend its own line to Chicago. By mid-1886 WCR was firmly entrenched in the Windy City.

Entering the 1890s, WCR was doing well in terms of traffic, but it was still in receivership. After tightening its belt and improving its services and financial position, it was released from receivership in 1899. With the release from receivership came new management. Under the vigorous presidency of Henry F. Whitcomb, WCR initiated expansion of the system to Duluth/Superior. When the line opened in 1909, WCR could claim the shortest route between Superior and Chicago.

WCR's history took a dramatic turn in 1909 when it became part of a larger system - the Soo Line. Soo's history dated back to the early 1880s when the flour millers of Minneapolis could no longer endure being at the mercy of the powerful

railroads that controlled shipments through Chicago to eastern markets. Desperate for an alternative, they formed a new rail company in 1883, known officially as the Minneapolis, Sault Ste. Marie and Atlantic Railway but soon nicknamed the Soo Line. It ran from Minneapolis to Sault Ste. Marie, Michigan, thus bypassing Chicago and opening up a route through Canada to the eastern seaboard. The Canadian Pacific Railway secured control of it in 1888 and changed its name to the Minneapolis, St. Paul and Sault Ste. Marie Railroad.

In 1908 the Soo Line acquired a majority ownership in WCR and the following year negotiated a lease agreement whereby it secured control of WCR for a 99-year period. WCR did retain a shadow of its corporate identity, since Soo Line operated it as a separate division. But for all intents and purposes, Wisconsin Central had become submerged in a larger entity - and would remain so for close to 80 years.

WCR soldiered on as a Soo division, buffeted by the shifting economy and rising competition from trucks and automobiles. Forced into bankruptcy in 1932 during the Great Depression, it recovered sufficiently by the mid-40s to begin converting from steam to diesel power and reinvigorating its passenger services.

Then in 1960 WCR took part in the birth of a new organization when Soo Line, Duluth, South Shore and Atlantic, and Wisconsin Central merged to create the 4,700-mile Soo Line Railroad Company.

When Soo formed the Lake States Transportation Division in 1986, giving it most of the former WCR's trackage, the event would set the stage for a dramatic development in regional railroading: the emergence of a new Wisconsin Central.

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HISTORY
of the
WISCONSIN CENTRAL



By ROY L. MARTIN

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men and equipment, is shrouded in the fog of reorganizations, lost in the frequent changes of official personnel, or clouded by the mysterious maneuvers of control and finance.

The first seniority rosters of enginemen and trainmen have long since disappeared. Accounts of the early operation of trains, train dispatchers' train sheets, locomotive equipment diagrams and performance sheets, records of the skill and worth of its employees, all these old chronicles are non-existent.

Every early official of the road kept a record of his own; train masters, master mechanics, superintendents of motive power, division superintendents, department foremen—each had his own private diary and he took it with him when he left.

Fortunately, some of these private accounts have been located. Recently other rare old documents have been brought to light, and it is with these that we are permitted to enjoy a closer historical inspection of a sturdy thousand-mile railroad and the part it played in the development of the state and its resources.

Chapter 1

Organization of the Road

AT THE TIME the Wisconsin Central was conceived, the state of Wisconsin had two most valuable natural resources, standing timber and iron ore. The iron ore was deeply buried and safe for the future; for immediate returns the timber came first. There was money in it, it was plentiful, easy of access, and the sky was the limit in the cutting of it. In 1870 the stage was set for the coming of the railroads into northern Wisconsin, and the Wisconsin Central was the first to push its rails into the Lake Superior country.

At this time, 1870, the state was still in its infancy, with a population of less than a million, the extreme south and southeast sections of the state containing a large proportion of this number. The northern half of the state was a virgin forest extending from Green Bay on the east to the St. Croix river on the west, and from Lake Superior on the north to Portage City on the south; a huge reservoir of standing timber: pine, hemlock, cedar, balsam, and the valuable hard woods, untouched save in a few spots along the Great Lakes and the Mississippi River.

In 1840 the population of the state was about 30,000. By 1870 nearly a million people had come into its borders to take up homesteads, to engage in farming and dairying, or to obtain employment in the rapidly growing lumber industry. The rivers and a few wagon roads of plank and corduroy constituted the only avenues of travel. Saw mills were being planned at strategic points along the rivers and streams, and the lumber boom was on its way.

In the lumber industry there was a desperate need for more rapid and dependable transportation to service its requirements. In the south central portion of the state, the predecessors of the Chicago, Milwaukee & St. Paul had already built west from Milwaukee to Portage City and La Crosse. The Northwestern had laid rails from Janesville northward to Green Bay, following the west shore of Lake Winnebago. The West Wisconsin Railroad (now the Omaha) was a struggling babe-in-the-woods starting at Tomah in 1867, headed for the Mississippi River, and by 1870 had reached Menomonie Junction, about 109 miles. In 1870 the total mileage of railroads in Wisconsin was 1,285, most of this lying in the southern area.

Yet there remained a vast area of unbroken forest wilderness 200 miles square with no rails to the outside, and the Wisconsin Central proposed to tap the center of it, making Bayfield, on Lake Superior, the northern terminal and Manitowoc, on Lake Michigan, the eastern terminus.



The Federal Grant of public lands was a matter of such vital importance in the early life of the Wisconsin Central that a brief review of the subject may be of interest at this point.

At the close of the Civil War, the Federal government proceeded to provide ways and means to establish greater military protection for its borders. In Wisconsin, many military wagon roads were projected and cut through the forests from the center of the state north to Lake Superior. To interest and assist private enterprise, the Government subsidized these projects by the gift of the cut timber and a certain amount of land adjoining the roads.

To support and further augment the value of the military wagon roads and to insure quick movement of troops to the border, Land Grant subsidies were provided by Congress to aid in the construction of railroads to the south shore of Lake Superior. The Government settled upon one specific route as imperative—that of a military railroad straight north through the center of the state to Lake Superior, and it is here that the promoters of the Wisconsin Central first appear, to co-operate with a benevolent government, and to secure a goodly portion of the immensely valuable timber land lying along the route.

In the terms and conditions of the land grant which ultimately became the goal of the Wisconsin Central, Congress very precisely outlined the straightest possible route northward from Portage City to Lake Superior. This particular grant, at first open-to any responsible railroad builder, soon fell into the capable hands of George Reed who nursed the project along to the beginning of the Wisconsin Central in 1871.

The land grant embraced every alternate section of public lands (of 640 acres each) and equalling 6,400 acres per mile, to be taken out by odd numbers within ten miles on each side of the line of the road. In case such a number of sections of odd numbers of public lands could not be found within the ten mile limit (on account of previous sales) the grant was enlarged so as to apply within twenty miles of the proposed railroad line on either side to make up the full amount. The land grant to the predecessors of the Wisconsin Central amounted to 2,387,000 acres, valued at \$1.50 to \$5.00 per acre.

The two immediate predecessors of the Central, the Winnebago & Superior, and the Portage & Superior, applied for this grant and received it jointly. Failing to construct any road, these grants were withdrawn and the Portage & Superior portion assigned to the Madison & Portage Railroad, one of the predecessors of the C.M.&St.P., applying to that section of the line between Portage City and Ripon.

This left the Central a grant from Menasha to Ashland and Superior. Failing to build a line from Ashland to Superior, that portion of the grant

was withdrawn and assigned to the Northern Pacific. The remainder of the grant, namely, Menasha to Ashland was earned and proved by the Central and in the final adjustment, after deductions, the Central was awarded approximately 888,288 acres. After the Central completed the line from Menasha to Ashland, no further grants of land were awarded to the road.

Cornell University, Ithaca, New York, next to the Wisconsin Central Railroad was once the largest owner of pine land in Wisconsin. Cornell University located over 500,000 acres, through Ezra Cornell, founder of the University, in the Chippewa Valley close by the lands of the Wisconsin Central. The bulk of the Cornell land was located in Chippewa, Rusk, Sawyer, Ashland, Price, and Taylor counties. The Cornell lands were intermixed with a part of the Wisconsin Central lands, and the Central was forced to buy a right-of-way over some of the Cornell property. During 1873-1876, a serious controversy over the acquisition of the Central right-of-way held up progress in Price and Ashland counties, and in justice to Elijah B. Phillips, the "much-maligned villain" of the early construction period, it may be said that these disputes, in the matter of right of way through Cornell lands, account for some of the delay in building the line from Worcester to Penokee.

Cornell agents were highly mercenary in the disposal of their lands, and unlike the Wisconsin Central, were not interested in local improvements and development, thereby retarding the growth and settlement of that particular area.

Most of the Cornell lands were sold to the lumber barons, John S. Owens, J. S. Gates, Frederick Weyerhauser, Knapp Stout & Co., at prices ranging from \$5 to \$30 per acre. Ultimately, Cornell University netted about five million dollars from the venture.

From 1877 on, the Wisconsin Central moved along under its own financial steam without the aid of Federal grants and donations. Up to 1917 the Central had netted about six million dollars from the original land grants.

For the first six years of its turbulent career, 1871 to 1877, the Wisconsin Central was in the hands of the Phillips & Colby Construction Company, who built the first 326 miles and who controlled its every operation. Phillips & Colby Company reported officially to the state as operators of the road, and were held responsible for its performance as a common carrier. Further, the Phillips & Colby Construction Company was an affiliate of the Wisconsin Central, and its personnel included Elijah B. Phillips, president; Charles L. Colby, secretary; Henry Pratt, auditor. The capital stock of the company was 2,000 shares at \$100.00 per share, 950 shares owned by E. B. Phillips, 950 by Charles L. Colby, and 100 shares by Henry Pratt. Elijah B. Phillips and Charles L. Colby were also directors in the Wisconsin Central.

As a unit, Phillips and Colby did not engage in actual construction, the work being sublet by them to various contractors along the line as progress required. After 1877 Phillips & Colby Construction Company ceased to function and records do not reveal any further activity of that organization.

No attempt has been made here to explore the ramifications of the financial history of the road. Beset by lack of funds and in financial difficulties from the start, the early fiscal matters pertaining to the Wisconsin Central were varied, complex and confusing, and will be of little historical value and interest at this late day.

It should be understood that the names Wisconsin Central Railroad, Wisconsin Central Railroad Company, Wisconsin Central Company, Wisconsin Central Associated Lines, Wisconsin Central Lines, Wisconsin Central System, Wisconsin Central Railway Company, were names assigned to the property and its leased lines under changes in the financial structure or in the process of its reorganizations. Many of these changes in name were required for legal reasons and for the protection and retention of land titles. The Central Car Company, another affiliate of the Wisconsin Central was organized in December 1879 by the owners of the Wisconsin Central to establish credit and promote economy, expedite purchases and improvements, exercise control of leased equipment, and to centralize these and other matters pertaining to the financing and procurement of motive power and cars. In July 1899 the Central Car Company was sold to the Wisconsin Central Railway Company and ceased to function after that date.

Although some of the units which linked the Wisconsin Central together were individual corporations, each having its own securities, these units were leased in perpetuity to the Wisconsin Central upon their completion and ultimately sold, in 1899, to the Wisconsin Central Railway Company in a general clean-up reorganization.

In these pages, unless otherwise indicated, the name Wisconsin Central is used to cover the general subject embracing the entire trunk line system.

In introducing the subject of corporate and construction history of the Central, it is well to consider first the promotional aspects and financial sources which brought the Central into being.

The road was originally promoted by three men: Judge George Reed of Manitowoc and Menasha, his brother Curris Reed of Menasha, and Matt Wadleigh of Stevens Point.

Because Boston was then the financial center of the nation, Judge Reed, the prime mover of the plan, journeyed to Boston and enlisted the aid of Gardner Colby in raising the necessary funds with which to build and equip the road.

Gardner Colby had a humble beginning and after his youthful en-

deavors brought him into the mercantile field, via the clerk and store-owner route, he accumulated sufficient capital to enter the importing business, later to buy the Maverick Mills Company, Dedham, Massachusetts, just prior to the Civil War. Fortunately located in this industry and through fat Government contracts to furnish cloth and clothing for the Union Army, Colby retired after a few years, a dominant figure in Eastern finance.

Restless in retirement, Colby cast about for investments to enhance his already rich banking interests, and in 1869 investigated the great reservoirs of Wisconsin timber and iron ore.

Earlier, George Reed had engineered one of the largest land grants in the State, and with this ammunition he found in Gardner Colby a ready sanctuary for his plan of the future Wisconsin Central.

Reed was a powerful figure in Wisconsin, skilled in corporate law, politics, and promotional procedure.

Colby was a shrewd Yankee trader dominant in financial affairs, with supreme confidence in his ability to complete successfully any project he espoused.

Judge Reed was familiar generally with the fundamental problems of railroad construction. Gardner Colby and son Charles L. were novices and entirely ignorant of the highly complicated enterprise they were about to finance. Agreements and financial arrangements being amicably negotiated, Promoter Reed and Financier Colby set about to locate and employ a practical railroad builder and manager, capable of assuming the entire responsibility of building the new Wisconsin Central.

Unfortunately, their choice fell upon Elijah B. Phillips, then President of the Lake Shore & Northern Indiana. In this choice Reed appears to have had little voice, as Phillips was Gardner Colby's man.

How Phillips handled the work is a matter of record; how he throttled the enterprise for seven years, leading it to the brink of bankruptcy into which Colby allowed it to sink.

History deals vaguely and delicately with the relationship between Colby and Phillips. Obviously, Colby put all his faith in the brushtaciturn Phillips, and as if by mutual understanding they so seriously hampered and flagrantly abused the sincerity and ethical motives of the original promoters that George Reed with Curtis Reed and Matt Wadleigh were forced to capitulate and retire from the field before 1876.

There were three underlying reasons for the building of the Wisconsin Central. One was the offer of a valuable land grant to the first railroad which would lay rails to Lake Superior; another was the intense interest of Judge George Reed in the building of railroads, and third was the

For years George Reed had been vainly trying to promote and build a railroad from Manitowoc to Menasha which would connect the latter with Lake Michigan. As early as 1850 he envisioned a line to the Mississippi via Menasha. A few miles of rail were actually laid on the Manitowoc end, but Reed could not secure the necessary co-operation from Manitowoc people to put it over.

Menasha wanted a railroad of its own and it is easy to see how conditions combined after the war was out of the way to make it possible for it to realize its ambition. The Reeds joined with Matt Wadleigh, a lumberman of Stevens Point, secured the land grant, and then went to the money mart, which was at that time, Boston, to secure the financial assistance to put their plans into being. This explains the presence of the Colby's, Abbot's, and other New Englanders in the Wisconsin Central picture.

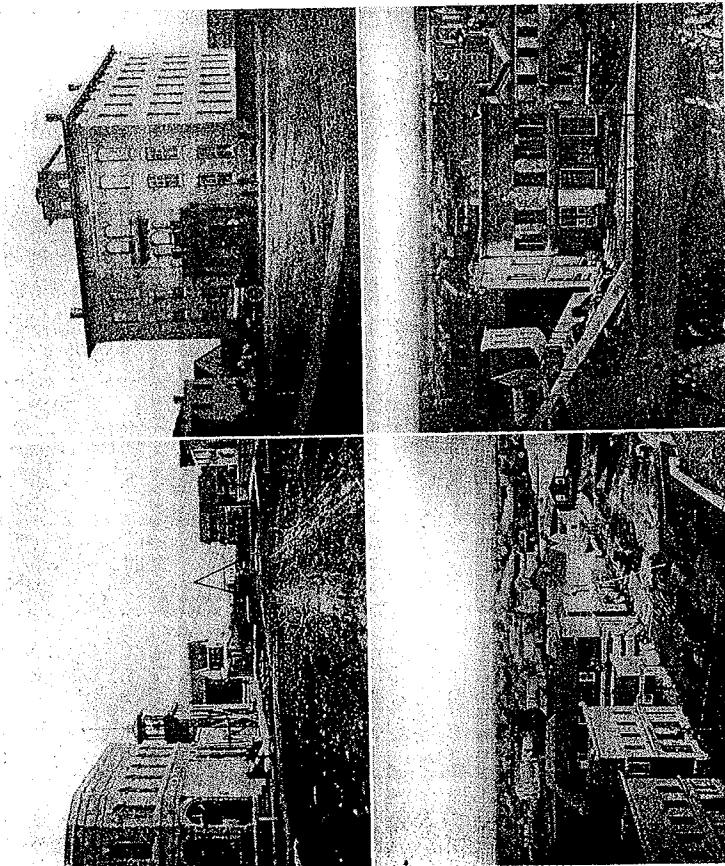
In 1870 Menasha was a village of 2,400 people. Then, as now, its people were largely engaged in manufacturing. Its location at the head of Lake Winnebago gave it an attractive setting and it promised to be the important industrial center it has become. After the main line of the Central was built south through Neenah, Menasha clung desperately to the engine house and for a time the through trains were backed into its station. This gave way to a "scoot" or single car connection and then a bus. Now the mixed train to Manitowoc stops once a day each way at the Menasha station; the engine house is gone but the city is still one of the heaviest freight revenue producers on the entire line.

PREDECESSORS

The Wisconsin Central had its origin in a three-cornered transaction involving the consolidation of the Winnebago & Lake Superior, the Portage & Superior, and the Portage, Stevens Point & Superior Railroads in 1869-1870. The Winnebago & Lake Superior and the Portage & Superior had been assigned Federal Land Grants by congressional resolution approved May 5, 1864.

These three original corporations had been chartered by the state to build railroads along certain specified routes. The Winnebago & Lake Superior appears to be first in date of entry into the railroad field, incorporated April 6, 1866, and it contemplated the construction of a railroad from a point on Lake Winnebago in a northwesterly direction to Lake Superior, about 250 miles. In the Directorate of the Winnebago & Lake Superior were George Reed, President; J. S. Buck, Curtis Reed, William G. Germain, and Fred S. Ellis. These men were engaged in various lines of business endeavor in central Wisconsin, and none of them had any previous experience in railroad building or operation.

The second factor in the structure of the Wisconsin Central was the Portage & Superior, incorporated April 9, 1866, and chartered to build a



MENASHA IN 1871. These pictures show the primitive town which gave the W.C. its start as it appeared at that time. Upper left, corner Main and Tayco, part of Langriff Hotel looking toward Crude pontoon draw bridge over Government Canal. Upper right, new National Hotel. Lower left, Main Street, looking east to river. Lower right, view from the top of the National Hotel on square, looking toward Bank of Menasha and lower Main Street.

Chapter 2

On the Way North

IN JUNE, 1871, the Phillips & Colby Construction Company was awarded the contract to build the Wisconsin Central from Menasha to Ashland, a distance of 250 miles. Under the terms of the contract, Phillips and Colby were to have complete control of construction and operation of the property until the owners were in a position to discharge their financial obligations.

It will be remembered that the Phillips & Colby Construction Company was an affiliate of the Wisconsin Central, set up within that organization to enhance the financial aspect of the project. Messrs. Phillips and Colby were Directors of the Wisconsin Central as well as owners of their own contracting company.

As Phillips and Colby did not engage in any actual work of construction, they awarded a sub-contract to Reuben M. Scott for building the first division of the road, from Menasha to Stevens Point, a distance of 63 miles.

Reuben Scott was a pioneer settler of the village of Menasha, a man of position and influence, and a builder of note. His position as a Director of the Wisconsin Central and his previous experience in railroad building gave him the necessary qualifications for handling the job on the initial section of the W.C.

Scott made a name for himself in building the line to Stevens Point, for he finished the 63 mile stretch in 120 days. The right-of-way, in a northwesterly direction, led through a mildly rolling country by way of the villages of Fremont, Weyauwega and Waupaca. The ruling grades did not exceed 1½ per cent, but many of the swamp lands needed plenty of filling, particularly the "old Medina" marsh, the Dale sag and the Wolf river bottoms at Gills Landing. In addition, a half mile of trestle approach was required for the 200-foot span over the Wolf river channel. This bridge and the trestle work was the biggest job encountered between Menasha and Stevens Point.

A wide sand belt, with several valuable gravel beds, extends across the state between Menasha and Marshfield (a drift area of glacial moraine), providing ample ballast material for the low spots along the route. However, Reuben Scott did not seriously mar the surface of Mother Earth in his grading of the road bed. No attempt was made to knock off the top of the hills or build up high embankments over the lowlands, and the road bed closely followed the topography of the country. Yet



JUDGE GEORGE REED, who dreamed of the Wisconsin Central, inspired it, promoted it, and did more than anyone else to bring it into being. He bought much of its early right of way, built its political fences and probably secured the aid from the Boston financiers which made his dream a reality. Judge Reed was brother of Harrison Reed the founder of Menasha and Governor of Florida, lived in Menasha and Manitowoc and met death in the tragic Newhall House fire in Milwaukee in 1883. He was the first Vice-President and General Counsel of the W.C., but when things were mismanaged by them, he broke with the Construction Co. and the Boston group.

Chapter 4

South from Ashland

THE northern objective of the Wisconsin Central was originally Bayfield on Lake Superior. As subsequent investigations and surveys proved that the geographical location of Bayfield would not afford a suitable terminus for the road, the promoters decided to make Ashland the north end of their iron. Ashland, 18 miles south of Bayfield, was a mere clearing in the woods in 1870, formerly known as Equadon which was founded in 1854 and abandoned in 1863.

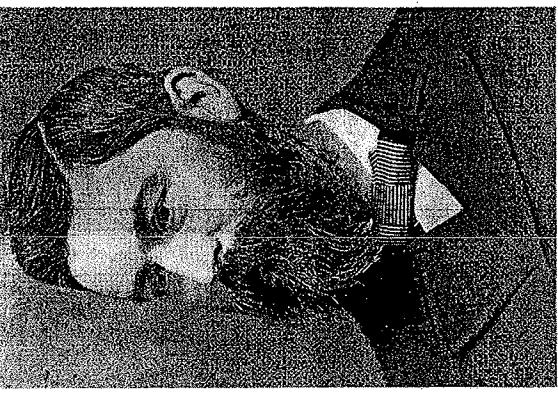
The Ashland site was located on the bank of a splendid natural harbor, called Chequamegon Bay by the French and Indians, and for a hundred years had been the popular stamping-ground and tribal meeting place for the northern Indian nations. Chequamegon Bay country is in the heart of the region described by the poet Longfellow in Hiawatha, and the "forest primeval" was still virgin and unmarked when Capt. W. W. Rich first planted his tripod instrument there.

Capt. Rich, Wisconsin Central civil engineer, came north in 1870 to make preliminary surveys for right-of-way and entry into the Chequamegon Bay territory, and when he reached Ashland, the total number of people living in the settlement was five. It was the Rich survey and the news of the coming of the railroad that precipitated the great influx of settlers and workers into Ashland in 1871. Pioneer lumbermen recognized the strategic location of Ashland, and laid their plans to make it the center of their logging and lumber operations.

Although the construction of the Wisconsin Central from the south end was being handled with normal progress, the directors and officers were not satisfied, and contended that great speed was necessary. They were taking no chances in jeopardizing their hold on the land grant of nearly a million acres of fine timber. Accordingly, the route south from Ashland received its final survey and approval, and to expedite the completion of the project, it was decided to build from both ends toward

In an issue of the Bayfield *Press* dated May, 1872, the following announcement is made: "The first shovel full of dirt was turned April 15, 1872, at this end of the glorious Wisconsin Central by the Honorable A. S. Whittlesey, pioneer of Ashland, the Future Iron City of Lake Superior.

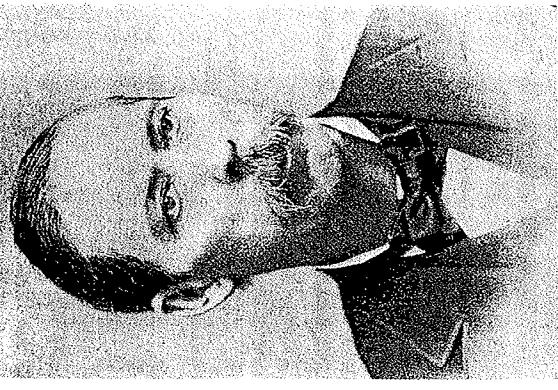
Phillips & Colby Construction Company awarded the general contract, for construction of the road from Ashland to Penokee, a distance of 30 miles, to Superior.



CAPT. HENRY PRATT, Sec'y of Phillips & Colby Co. and employee of the W.C. in the early days.



REUBEN M. SCOTT, Director of the P.W.&S., builder of the W.C. from Menasha to Stevens Point and of the M.&N. into Menasha.



SAMUEL H. WALLEY, First Sec'y of the W.C.
and Pres. of the Revere Bank of Boston.

EARLY PERSONALITIES IN WISCONSIN CENTRAL HISTORY

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***WRONG.** It was named Whittlesey, (See p. 26) after one of its founders. They wanted to name it Ashland after Henry Clay's Kentucky estate. There was a city in Richland Co. named Ashland. In 1860, that city decided up, & Whittlesey was renamed.

miles, to Stoughton Brothers, Winona, Minnesota, and much of the work was sub-let to T. D. Green, Anson Northrup and Alex Livingston. Beginning in April, they built only 6 miles of road before winter snowed them in. Construction was halted at White River, a small stream in a deep wide ravine. Stoughton Brothers, Northrup, and Livingston, and the Chicago Bridge Company erected a steel bridge over White river, 1,600 feet long and 110 feet above the water, a huge undertaking in the isolated location. All materials required were shipped by boat up the Great Lakes through the Soo thence to Ashland for handling by the Wisconsin Central on its own rails to White river.

The White River bridge, a lean spindling structure, remained one of the great sights of northern Wisconsin (and a 6 MPH slow-order for engineers) until about 1910 when the ravine received an earth fill, and the steel bridge sold for junk.

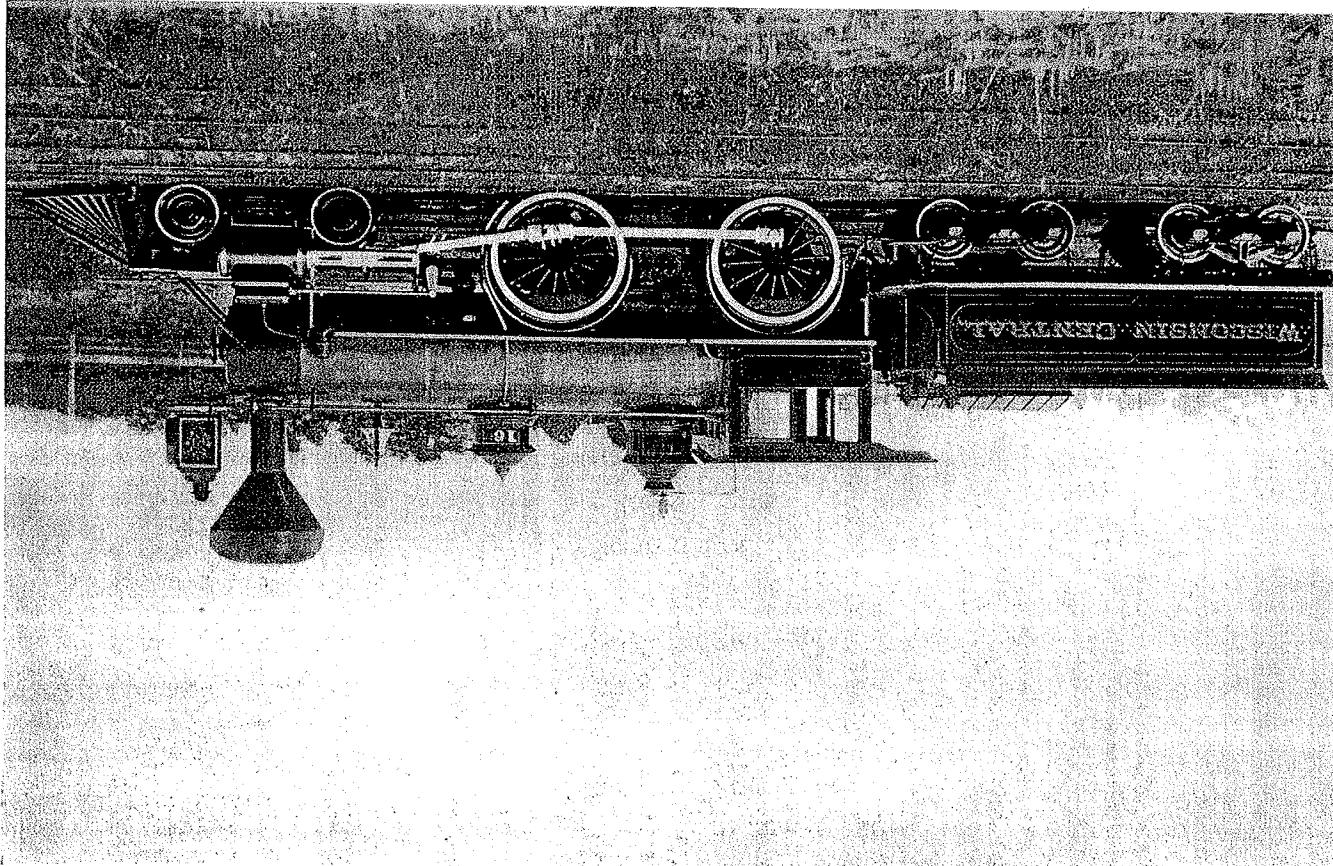
Still another more potent authority effectively stopped the progress of the builders at White River. Late in '72 the Wisconsin Central along with the rest of the nation began to feel the financial pinch of the Great Panic. In December, orders came through from Headquarters to Capt. Rich (who was now Superintendent of Construction) to cease all operations in the work on the Ashland-Penokee Gap division. Here at Ashland, which three years before had a total population of five people, was a roaring boom town. Sam Fifield, publisher of the Bayfield Press wrote, a few years later, as follows:

"I wish I could give you a vivid word picture of the conditions existing on Ashland's townsite in 1872, the organization of society out of a rough, strange, human element, a mixed population rapidly brought together, of rough railroad builders, a camp following of bad men and bad women, sprinkled with a goodly number of brave and true pioneers, who came to make for themselves new homes. Picture, if you can, the planting of twelve hundred people among the pines on the townsite, the bringing order out of chaos, organizing a local government for the protection of the people, the making of necessary improvements, the opening of streets, building of bridges, stores, homes, shops, saloons, docks, and warehouses, rushing business day and night before the coming of winter."

From March to November 15, 1872, over 200 buildings had been erected, and from a thousand to thirteen hundred men were in the railroad camps engaged in the tremendous task of clearing a track through the forest, and building a railroad. Suddenly, one December morning, 1872, Capt. Rich received word to shut down all work on the line, pay off and discharge all the men and transport them and all others who desired to leave, out of the country.

This order stirred up the entire community. Here were more than a

A STURDY McQUEEN. First of nine Schenectady wood bunaets (16-23") were delivered in 1882 to head the new varnish runs placed in service in 1883. Used in coal upon arrival, the McQueens pulled Ashland division passenger trains for 25 years, later relegated to branch lines and local freight service.



✓ thousand people, a large percentage of whom depended on their wages from the railroad company for their daily bread. It was very late in the season with the bay nearly frozen over and no boats running. There were no wagon roads, and no railroads. About the only way out was to walk to Superior, eighty miles away. In addition, there was dissatisfaction over the date for which this army of laborers was to be paid off. Capt. Rich had orders to pay off the men to the day the work was suspended, to keep them in camp, feed them, and then transport them to Duluth-Superior.

All went well at the start but when Rich arrived at what was known as Kelly's camp, the men demanded pay "to date," whereas Rich had sufficient only to pay them "up to date of suspension." Kelly's men immediately attacked the pay-master, and tried to seize the money. Capt. Rich held off the railroaders with his revolver until the pay-master and his guard reached their team, where Rich joined them, and although they were pursued, Rich and the pay-master reached Ashland first and reported the occurrence. The only officers in Ashland were a deputy sheriff and a constable. The whole community was excited now, including all the railroaders and their sympathizers, and the bona fide residents. The saloons were ordered closed, the advance guard of Kelly's camp having arrived next morning (New Year's day, 1873) but the saloon keepers only closed their front doors, and the back-door trade was vigorous.

The leading business men and citizens were called together, and Wisconsin Central engineers Dunbar and Wanzer were sent to Bayfield with a letter signed by the local town board requesting the aid of the Bayfield militia. Sheriff Boutin arrived at midnight with Company D, Bayfield Rifles commanded by Robt. D. Pike, which marched up over the ice and took command of the situation. The town was placed under martial law for ten days when a settlement was made with the railroad workers.

"Over a thousand men in this motley crew were herded out of town by the militia, to make their way on foot to Superior, eighty miles away." Thus ended the "Ashland War," and by January 15, 1873, the town of Ashland had begun its period of hibernation lasting until the work was resumed on the railroad the following spring.

There is a wide variance in accounts and reports relative to the date of completion of the Ashland-Penoee division. The Wisconsin Central Directors' Report to Stockholders shows that Penoee was reached on December 26, 1872. The Ashland Press, the Bayfield Press, and local Ashland historians agree that this section of the road was not entirely finished until October 1873. It is reasonable to assume that Ashland County records are accurate. In the light of later official reports of the

railroad, it is quite evident that the directors, in 1872, were anxious to give the stockholders an encouraging report of progress during financial stress, and may have made their Penoee report prematurely, with colorful ambition. The difference of opinion in the matter may be explained by the fact that the clearing, grubbing and grading was finished in 1872, but the iron was not laid into Penoee Gap until October 1873. This point may appear relatively unimportant to readers other than Wisconsin Central zealots, and is mentioned merely as a part of the "hair that goes with the hide."

THE CHEQUAMECON HOTEL

Despite financial handicaps, and hardships incident to isolated location and harsh, natural surroundings, the Wisconsin Central built its commercial dock on the Ashland waterfront in 1872. The erection of "The W.C. Dock" marked the beginning of Ashland's development as a shipping center, and provided a source of much-needed income for the railroad.

The Colbys, father and son, had big ideas, and brought with them an eastern custom, that of railroad-owned hotels. The first was to be erected at Ashland, planned as the initial unit of a string of company-owned hotels to be built along the line at important cities.

In 1872 plans for the erection of the Chequamegon Hotel were made. The hotel project was a bold venture in this sparsely settled territory, yet it turned out to be one of Ashland's strongest bids to attract summer tourists and health-seekers. Financed and built entirely by Wisconsin Central capital, the Chequamegon Hotel was not completed until August 1, 1877, when a grand opening was staged to celebrate the completion of the new railroad and its magnificent hostelry. A broad, sprawling structure, garish and ornate in trim and embellishment, three stories high with 400 rooms, the Chequamegon was built of local pine and hardwood lumber, and sported a wide, spacious veranda on two sides. The hotel became

the rendezvous for the great and near great in lumber, rails, and politics, and the center of all social and civic activity; "a palatial edifice with regal appointments, magnificent in design and permanent in structure, overlooking the finest harbor in the north, and affording an unrestricted view of the gorgeous, enchanting panorama of Chequamegon Bay."

Years later when the state began its program of minute inspection of public buildings, one realistic stoney-faced fire marshal adjudged the Chequamegon Hotel to be the finest and most perfectly designed fire-trap this side of Hades. Strangely enough, despite natural hazards, amid forest fires that raged intermittently through northern Wisconsin, the old hotel never got a blister, and after thirty years of noble service was finally cut into smaller sections, one of which still remains on Ashland's main street, serving the traveling public; the Menard Hotel.

DENOKEE GAP

Early in 1873 when the road's financial condition had improved to some extent, construction was resumed from White River south, and in October, 1873, the road was completed to Penokee Gap, 30 miles south of Ashland. The construction of this short piece of road was costly and required 61 bridges. From Penokee to Conia the railroad and the Bad River Play hide and seek, the railroad builders being compelled in this rough country to follow the path which the river had carved in the rocky highlands. On the 30-mile division, two long, high bridges were required, one at White River, previously described, the other at Silver Creek, now known as High Bridge, which measured 860 feet long and 90 feet above the water. These two bridges were the marvels of the age, and constant sources of wonderment to natives and visitors alike.

When the road had been completed from Ashland to Penokee Gap in October 1873, there it stopped in the wilderness for four long years. The name Penokee is of unique origin. When Col. Whittlesey, an early explorer and geologist, made a hand-written report on the territory embracing the Iron Range Hills, now known as the Penokee Range, he gave the hills region the name "Pewabic," the Chippewa Indian word meaning "iron." Col. Whittlesey's handwriting was not of the best, and as a consequence the printer set his type with "Penokie" instead of "Pewabic," thus creating a new name. Later the "i" was dropped in favor of another "e," and the name "Penokee" became a matter of official record in state history and an important landmark on the Wisconsin Central.

Penokee Gap is a break in the rough country, a regular gap where the Bad River breaks through the Iron Range Hills on its way to Lake Superior. The Gap is an historic pathway through which the copper workers from Mexico and South America came to Lake Superior centuries ago en route to the copper deposits on Isle Royal in Lake Superior.

It was in this Gap that the Wisconsin Central suddenly ended its course northward from Ashland in 1873. For four years it remained the southern terminus, the jumping off place, so to speak, and in a short time a settlement was begun at the "end of the steel." The settlement developed into a sizable village and became an important stop on the Wisconsin Central for many years. Today, not a sign of human activity remains, a building remains standing, and the spot looks wild and desolate. Penokee Gap has reverted to its jack pine status of 1870. The Gap is about 1,000 feet above Lake Superior level, and the locomotive tonnage rating from Penokee north to Ashland is the highest on the entire

Despite the fact that the Ashland-Penokee division was an isolated strip of railroad, immediately upon its completion, traffic in freight and

passengers became so heavy that the few engines and cars were inadequate to handle it. Demands for movement of lumber equipment and forest products overwhelmed the little railroad. The only railroad in northern Wisconsin and the only route out of Ashland southward, this isolated piece of railroad at once became the quick and easy approach to Lake Superior from the interior. From 1873 to 1876 passengers from Ashland made their way southward from Penokee on foot or snowshoes, in wagons or sleds, to the unfinished north end of the Wisconsin Central at Worcester, a distance of 57 miles, a journey full of hardships, and only the rugged traveler undertook the trip.

In an old historical record an account is given of a trip made over the Wisconsin Central from Milwaukee to Ashland in the Spring of 1875 by Sam S. Fifield, one time senator and lieutenant governor of the state

(for whom the town of Fifeild is named). The trip consumed sixteen days, the great part of the time being spent in bucking snow and riding the bobsleds between Worcester and Penokee where the Wisconsin Central had not yet placed its rails. In this connection is mentioned Engine No. 9 pulling the little north-bound passenger train from Penokee. About six miles north of Penokee the engine jumped the track on the ice-covered rails and stalled in the snow. Locomotive Engineer Harry Guy was forced to take a long walk to Ashland to bring back reinforcements. Incidentally, this account provides the name of one of the first locomotive engineers on the Wisconsin Central, of which we have any record.

In spite of these handicaps the famous Fifield Party had only high praise for the Wisconsin Central Railroad service, and announced it to be a great boon to travelers in the northern wilderness.

A summary of progress made in 1872 indicates the number of miles of finished railroad:

Stevens Point to Section 53 (Colby)	.....	.....	.51 miles
Stevens Point city spur to Weeks Saw Mill	.....	.....	1½ miles
Ashland to White River	.....	.....	.6 miles
Menasha Spur toward Appleton	.....	.....	2½ miles
Ashland Commercial Dock line	.....	.....	1½ miles
In addition, the work of clearing, grading, and grubbing was finished from:			

Colby (Section 53) to Mile Post 101 (Worcester)	.....	50 miles
White River to Penokee Gap	.....	24 miles

The terms "Section 53" and "Mile Post 101" were used to indicate mileage northwest of Stevens Point. The actual mileage to Colby is 61, but in 1873 the track ended in the sag a half mile south of the present

employees. Phillips is constantly improving and increasing his rolling stock by bringing into service a \$35,000 private business car, finished off in Oriental style, and in which he boxes himself up and rolls through the country without the least desire to familiarize himself with the various localities along the line, or become apprised of those things absolutely essential for the accommodation of the public and the public's business. Eastern capitalists refuse to contribute more money for an enterprise so badly handled."

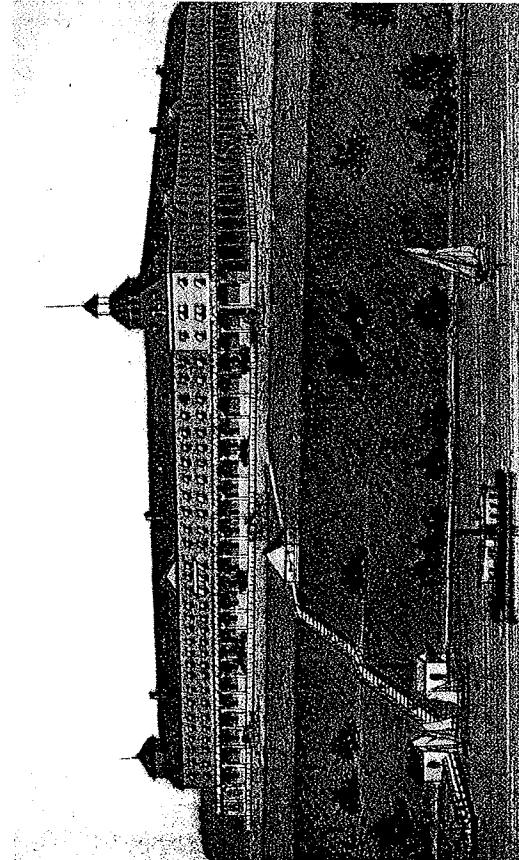
In September 1874, another influential and well-informed commentator announced that "The Phillips & Colby Construction Company is a corrupt and scoundrelly affair. Under Elijah B. Phillips, to whom is directly, and justly, charged all the embarrassment, financial and otherwise, under which the Wisconsin Central is struggling today." "By his villainous conduct or his want of capacity, Elijah B. Phillips, the Bogus Prince, has squandered Wisconsin Central money and material. By his want of ability, lack of integrity, and false estimates, the Phillips management becomes most infamous, and disgraceful to a criminal degree—a bad man for a trustworthy position."

"Hostility and bitterness has existed between Phillips and every contractor on the line. Ensuing warfare has caused delay and injury to the road, resulting in a law suit against E. B. Phillips and a judgment against him for \$130,000 plus heavy court costs. After the contract work was abandoned at Mile Post 101 and Penokee Gap, Phillips and Colby attempted to handle the work of construction. Then confusion and chaos reigned supreme—workmen strung along thirty miles of track and road bed, at long distance from camp and supplies—disorder, back tracking and duplication of effort, a shameful performance in which Elijah B. Phillips wasted thousands of dollars worth of rails, plates, ties, spikes, wheelbarrows, and shovels, scattered from one end to the other, left to rust and rot. In the work of construction, grade in low spots was built of logs, cross-piled, with all the space between the logs left unfilled. Citizens, interested stockholders, and observers protested against such procedure, and were told to mind their own business by Phillips and his foremen."

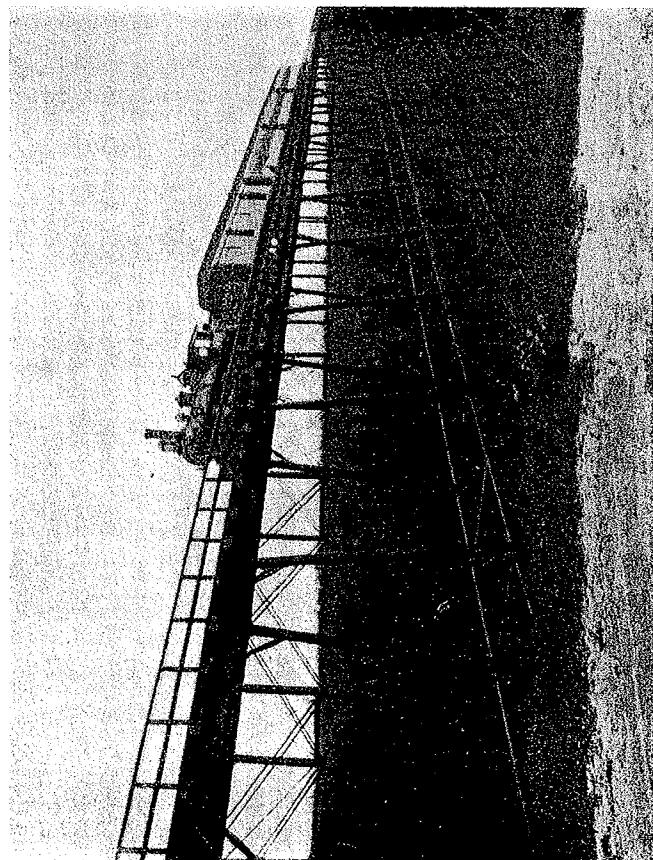
Such was the situation on the Wisconsin Central in 1874. In his endeavors to finish up the gap between Mile Post 101 and Penokee Gap, Phillips was unable to turn a wheel.

Citizens of Portage City were clamoring for action by Phillips & Colby to build the promised line to Stevens Point. Ashland business men hammered away for a finished outlet south of their city, calling on Phillips & Colby to execute the work according to contract.

In October 1875, the leading newspaper in the state printed in large headlines: "The Bankrupt Wisconsin Central Railway." "A construction



THE CHEQUAMEGON HOTEL, ASHLAND. Built by W.C. interests from 1872 to 1875 this fine resort hotel contained 400 rooms, later enlarged to 500. It was opened in 1877 and did a thriving business until condemned as a fire trap.



WHITE RIVER BRIDGE, ASHLAND LINE. Built by Milwaukee Bridge & Iron Co., 1872, 1,500 ft. long and 110 ft. above the water, this bridge was scrapped about 1910 and the line relocated.

Packwaukee to Montello	7.67
Hilbert Junction to Manitowoc	27.37
Menasha to Hilbert Junction (one-half interest)	14.30
Menasha, Neenah Yards and Connections	3.00
Ashland Commercial Dock line	1.39
Spurs to Industries	80.00
Side tracks	77.00
<hr/>	<hr/>
Total owned	623.69
Trackage rights over foreign roads	29.00
<hr/>	<hr/>
Total operated	652.69
GRAND TOTAL OPERATED	1148.63 miles

In review of the corporate structure of the Central during the period 1887-1899, it may be difficult to understand the complex situation created by the contemporary existence of the Wisconsin Central Company and the Wisconsin Central Railroad Company, both having a hand in the control and operation of the same road. The significance of the dual ownership may be more readily construed if it will be remembered that for many years the Central had been in default in payment of certain obligations, particularly the interest on bonds.

To protect their interests the majority stock and bond holders, in the various units comprising the Wisconsin Central System, joined forces in 1887 and acquired full ownership of all except two units; namely, the Wisconsin Central Railroad Company and its leased line, the Milwaukee & Lake Winnebago. Thus, the new Wisconsin Central Company was formed, and by virtue of this ownership, the Wisconsin Central Company, in July 1888, entered upon actual possession, operation, and management of the entire Wisconsin Central System. The new Wisconsin Central Company also secured controlling interest in the Wisconsin Central Railroad and the Milwaukee & Lake Winnebago Railroad, but for legal reasons and for the protection and retention of land titles the two latter corporations could not be included within the corporate structure of the new Wisconsin Central Company.

Broadly generalized, the Wisconsin Central Company had for its foundation a protectorate over bond holders' interests, and a scheme for the ultimate establishment of a consolidation of all the subsidiary units under one financial ownership and operating control.

From 1887 to 1899, two separate groups of directors and executives functioned independently in the control of the Central, while one staff of management and operation officials served for both financial groups.

On December 30, 1897, the Wisconsin Central Railway Company was incorporated to execute the desired merger, a consolidation which brought together under one ownership all the various corporations within the Wisconsin Central System.

The Wisconsin Central Railway Company was financed principally

through the issuance of its capital stock and bonds under a plan of reorganization whereby it acquired at foreclosure sale July 13, 1899, the property of the Wisconsin Central Company and by direct purchase on the same date the properties of the following companies:

Packwaukee & Montello Railroad Company
Wisconsin Central Railroad Company and its leased lines; namely,
The Milwaukee & Lake Winnebago Railroad Company and its leased lines, the
Chicago, Wisconsin & Minnesota Railroad Company, and the Chicago & Wisconsin
Railroad Company.

In July 1899 when the reorganization had been accomplished and all properties unified under the new Wisconsin Central Railway Company, the road was released from receivership. Whitcomb and Morris, Receivers since September 1893, were retained in positions of wider scope and responsibility.

Whitcomb came into his own and was elected President and General Manager in recognition of his fine achievement in managing the properties through the financial crises and business depression. Howard Morris remained as General Council for all properties.

James McNaughton, Superintendent of Motive Power and Cars resigned late in 1898 to accept the position of General Superintendent of the Brooks Locomotive Works, Dunkirk, New York. Angus Brown was appointed immediately to fill the vacancy.

In 1899 J. J. Callahan, Superintendent of Bridges and Buildings resigned, after a long term of service with the Central. His former assistant, Phil C. Jacobs, was appointed to fill the vacancy. Jacobs remained with the Central for a few years, later employed by the Johns-Manville Company, and became Sales Manager of the Western Division of Johns-Manville Railroad Department.

Beginning 1898 the Central entered a period of unusual activity brought about by a general resumption of railroad business throughout the country. There is abundant evidence to indicate that the financial backers of the new Wisconsin Central Railway Company rested great confidence in Whitcomb and the future of the road.

Generous budgets provided funds with which to purchase new locomotives and cars. Seventeen new Brooks ten-wheelers (road numbers 221-237) were purchased in 1898-1899. Coincident with the arrival of the new locomotives was the completion of the work of laying 440 miles of new rails on the main stem; 80 pound steel between Chicago and Stevens Point, 70 pound steel between Stevens Point and St. Paul.

The Ashland division was in fair condition, having been rebuilt by Finney in 1887-1888. However, very little grade correction work had been performed anywhere on the System and the topographical profile of the road remained in its original outline.

In the era beginning 1898 the wave of operating efficiency in the rail-



Railroad History of Central Wisconsin

James Lydon's "*History of the Soo Line*"

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Chapter 9

South From Ashland

The promoters decided to make Ashland the north end of their iron. It was a mere clearing, in the woods in 1870, formerly known as Equadon which was founded in 1854 and abandoned in 1863. The Ashland site was located on the bank of a splendid natural harbor called Chequamegon Bay.

Capt. Rich, Wisconsin Central civil engineer, came north in 1870 to make preliminary surveys for right-of-way. The route south received its final survey and approval, and to expedite the completion of the project, it was decided to build from both ends toward the middle. In an issue of the Bayfield Press dated May 1872, the following announcement is made: "The first shovel full of dirt was turned April 15, 1872, at this end of the glorious Wisconsin Central by the Honorable Aseph Whittlesey, pioneer of Ashland, the Future Iron City of Lake Superior".

Only 6 miles of road were built before winter snowed the workers in. Construction was halted at White River, a small stream in a deep wide ravine, Stoughton Brothers, Northrup, Livingston, road contractor and Chicago Bridge Company erected a steel bridge over White River, 1,600 feet long and 110 feet above the water, a huge undertaking in the isolated location. All materials required were shipped by boat up the Great Lakes through the Soo, thence to Ashland, for handling by the Wisconsin Central on its own rails to White River. The White River Bridge, a lean spindling structure, remained one of the great sights of northern Wisconsin (and a 6-M.P.H. slow-order for engineers) until about 1910 when the ravine received an earth fill, and the steel bridge sold for junk.

From March to November 15, 1872, over 200 buildings had been erected in Ashland and from a thousand to thirteen hundred men were in the railroad camps engaged in the tremendous task of clearing a track through the forest, and building a railroad. The nation had begun to feel the financial trouble that became the Bank Panic of 1873. Suddenly, one December morning, 1872, Capt. Rich received word to shut down all work on the line, pay off and discharge all the men and transport them and all others who desired to leave, out of the country.

This order stirred up the entire community. Here were more than a thousand people, a large percentage of whom depended on their wages from the railroad company for their daily bread. It was very late in the season with the bay nearly frozen over and no boats running. There were no wagon roads, and no railroads. About the only way out was to walk to Superior, eighty miles away. In addition, there was dissatisfaction over the date for which this army of laborers was to be paid off. Capt. Rich had orders to pay off the men to the day the work was suspended to keep them in camp, feed them, and then transport them to Duluth-Superior.

All went well at the start but when Rich arrived at what was known as Kelly's camp, the men demanded pay "to date" whereas Rich had sufficient only to pay them "up to date of suspension". Kelly's men immediately attacked the paymaster and tried to seize the money. Capt. Rich held off the

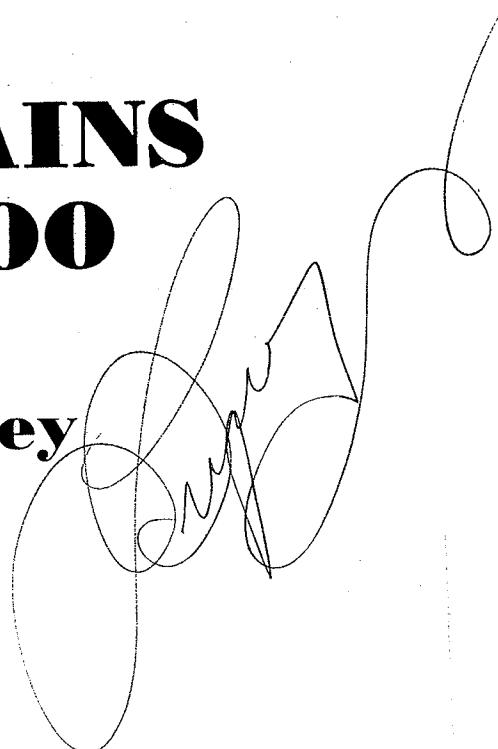
overwhelmed the little railroad. The only railroad in northern Wisconsin and the only route out of Ashland southward, this isolated piece of railroad at once became the quick and easy approach to Lake Superior from the interior. From 1873 to 1876 passengers from Ashland made their way southward from Penokee on foot or snowshoes, in wagons or sleds, to the unfinished north end of the Wisconsin Central at Worcester, a distance of 57 miles, a journey full of hardships, and only the rushed traveler undertook the trip.

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STEAM TRAINS OF THE SOO

By
Leslie V. Suprey



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A BRIEF HISTORY OF THE MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILROAD . . . THE "SOO LINE"

By JIM LYDON

A great many years ago a philosopher wrote-- "History never becomes static. The hand of time keeps adding to the scroll and new names are being added to the record from year to year."

Three historical railroads -- Minneapolis, St. Paul & Sault Ste. Marie R.R., Wisconsin Central R.R. and the Duluth, South Shore & Atlantic R.R. were consolidated January 1, 1961, and reorganized as The Soo Line Railroad, the history of which has begun. However, the subject matter of this article pertains to the Minneapolis, St. Paul & Sault Ste. Marie R.R., better known as the SOO LINE, an early acquired moniker that became its trade name.

In no country in the world was the growth of railroads so rapid as in the vast, sprawling United States where it was felt railroads offered free and unhindered circulation of commercial commodities so essential to the welfare of the people and the continued development of the new land.

The millers along the banks of the Mississippi River at St. Anthony Falls were constantly seeking new markets for the product of their fast growing flour mills. Every means of transportation was important and especially so the new railroads.

Minnesota's first railroad, 10 miles, was built between St. Paul and St. Anthony in 1862. In 1865 the first line between the present Twin Cities and Chicago was opened. In 1870 a line from St. Paul to Duluth was built. Its builders refused to extend a branch line to St. Anthony. The millers therefore built a railroad (the beginning of the Minneapolis & St. Louis Ry.) to a connection with it at White Bear following which the millers chartered boats on the Great Lakes and routed much of their east-bound flour via Duluth during the season of navigation.

Competition was sharp, fast transportation was necessary and rates were a major factor. Chicago was the break-bulk point for east and west traffic and the Chicago lines maintained two sets of rates - winter and summer. The millers felt they were at the mercy of the Chicago rail lines and began seeking ways and means to protect their businesses.

SOO ROUTE CHOSEN

A railroad for the 500 mile expanse of land between the Twin Cities and Sault Ste. Marie, Mich., was first mentioned in 1873 by Hon. Israel Washburn, then Governor of Maine. The idea was favorably looked upon by James J. Hill, founder and builder of the Great Northern Ry., while a director of the Canadian Pacific Ry., Mr. Hill resigned as a director May 3, 1883, and within months definite action had been taken by a group of Minneapolis business men to link the two areas with a line of railroad.

"One afternoon, in 1883, General Washburn called at my office. He asked what I thought of building a road from Minneapolis to Sault Ste. Marie. . . . We agreed that a number of prominent citizens should be invited to meet with us the next morning. The meeting was held" (1)

Articles of incorporation of the Minneapolis, Sault Ste. Marie & Atlantic Ry., were filed at Madison, Wis., on Sept. 29, 1883. The incorporators were W.D. Washburn, H.T. Welles, John Martin, Thomas Lowry, George R. Newell, Anthony Kelly, C.M. Loring, Clinton Morrison, J.K. Sidle, W.W. Eastman, William D. Hale, Charles A. Pillsbury and Charles J. Martin.

(1) H.T. Welles - "Autobiography and Reminiscences"

Mr. Washburn was elected President. Captain W.W. Rich was appointed Chief Engineer in charge of engineering and construction. The company was financed completely by Minneapolis men, three-fourths of the stock being owned by manufacturers of flour.

CONSTRUCTION

In April 1884 construction of the railroad began at Cameron, Wisc., building west to Turtle Lake and east to Bruce a total of 46 miles. Through a traffic agreement with the CC&NW "Omaha Line" that railroad was used between Minneapolis and Turtle Lake.

In 1885 the road was extended 22 miles - Bruce to Main Creek (Ingram). In 1886 it was built to Rhinelander, 70 miles. On December 10, 1887, the railroad reached Sault Ste. Marie, 277 miles from Rhinelander.

The same group of men organized the Minneapolis & Pacific Ry., in September 1884 which road began construction, in April 1886, of a line west from Minneapolis. Lidgerwood, S. D. was reached December 20.

The year 1887 was an eventful one. The line was completed to Sault Ste. Marie. The Minneapolis & St. Croix Ry. (incorporated April 13, 1884) constructed its road from Minneapolis to Turtle Lake while the Minneapolis & Pacific pushed a line from Lidgerwood to Boynton, west of Oaks. At Gladstone, Mich., a new town, in addition to a large station, a roundhouse, machine shop, merchandise and coal docks, the railroad constructed an iron ore dock 768 feet long with an approach of 914 feet.

To accomplish this building feat, thousands of men had to be employed. May 1 there were 1,000 men at work east of Rhinelander. By June 2 the men employed in all work between Rhinelander and Gladstone increased to 4,000. Within a month there were 5,000 scattered along the right-of-way as far as Sault Ste. Marie and the number was increased to 7,000. (Between Minneapolis and Turtle Lake 2,000 men and 500 teams of horses were used). In October F. D. Underwood, General Manager, expressed the total by saying "the right-of-way is black with men." Their work resulted in a remarkable achievement and brought an end to one of the greatest railroad construction undertakings of the age, considering territory and obstacles surmounted.

It was an organizational and financing project of unbelievable proportions. There was no huge sale of stock. It was probably the cleanest railroad project of its time and continued so. It was not a land grant railroad. It may lay claim to an exceptional accomplishment, that of being a money earner from its very beginning, the result of which produced a serene life, devoid of any corporate troubles or financial worries for over forty years.

Within the year (1887) there was wrested from the forest a right-of-way 277 miles in length. (No forests were encountered over the prairies of Minnesota and South Dakota). The terrain was rugged with outcroppings of rock, deep ravines, creeks and rivers. In the 126 miles, Rhinelander to Gladstone, it was necessary to construct 289 culverts and 81 bridges. These were all constructed of pile and timber, white pine or tamarack. The culverts totaled 11,751 feet and bridges 21,058 feet - 6.2 miles or 5 percent of the total mileage. Bridges ranged from 145 feet to 1,455 feet. East of Gladstone mile after mile of almost impenetrable swamps were overcome by using more than 7 million feet of piling and timber and untold numbers of small trees to "corduroy" a roadway.

The territory in Wisconsin and Michigan was without much settlement as only occasional north and south roads had penetrated the region. Passing, as it was, west to east the Soo Line was obliged to create its own tributary local support. It did remarkably well considering it operated only in the woods.

It had been estimated by some that the road was headed into a wilderness containing twelve thousand

million feet of pine, besides immense quantities of hemlock, cedar and hardwood timber. It was the timber that gave the road its earning capacity in its formative days.

FIRST THROUGH TRAFFIC

The International Bridge (constructed jointly by the Canadian Pacific Ry. The Soo Line and the DSS&A Ry.) at Sault Ste. Marie was completed December 31, 1887. January 5, 1888, was a day long to be remembered in this history of the Soo Line. On that day the first train in five sections, departed from Minneapolis with 102 cars loaded with flour, the product of five of the principal mills, destined for Boston, New York, Philadelphia, London, England, and Glasgow, Scotland.

The Sault Ste. Marie gateway was open, giving the Twin Cities and the Northwest an all-rail route to the east independent of Chicago. During the year 1888 the road carried east from Minneapolis 1,367,792 barrels of flour.

With completion of the Soo route, the long struggle for free competitive rates became a reality. The rate structure - Twin Cities to Eastern Seaboard changed completely. All rates were drastically reduced. The Twin Cities now enjoyed the same low rates to Tidewater as were in effect from and to Chicago. As a result the Twin Cities were advanced many years to their place as leading manufacturing, financial and distribution centers.

AMALGAMATION AND GROWTH

On June 11, 1888, the Minneapolis, Sault Ste. Marie & Atlantic Ry., Minneapolis & Pacific Ry., Minneapolis & St. Croix Ry., and the Aberdeen Bismarck & North Western Ry., organized May 30, 1883 (Graded and bridged a line Aberdeen to Bismarck but laid no rail), were consolidated in one single corporation, The Minneapolis, St. Paul & Sault Ste. Marie Railway Company. The consolidated company acquired 737 miles of road. Growth of the railroad was rapid following the turn of the century.

In 1891, however, construction of the Portal line was begun at Hankinson and finished two years later to form another connection with the Canadian Pacific Ry., and open to the Twin Cities gateway the third rail line to the Pacific Northwest.

In August 1902 the Soo Line entered Bismarck, N. D.

During May 1903 construction of the Winnipeg line began at Glenwood and on October 28 a third connection was made with the Canadian Pacific Ry., at Noyes, Minnesota.

Major construction included a 300-mile line from Thief River Falls across North Dakota to Kenmare in 1905; Drake to Fordville, 131 miles, in 1906; Flaxton to Whitetail, 136 miles, in 1906-7; Brooten to Duluth, 208 miles, in 1908-9; Plummer to Moose Lake, 193 miles, in 1910; Frederic, Wisconsin, to Duluth 1911-12.

On April 1, 1909, the Soo Line leased the Wisconsin Central Ry., adding approximately 1,000 miles of track lying between Chicago-Twin Cities-Duluth-Ashland and through the highly industrialized Fox River country of Wisconsin. During the years four railroads were purchased; i.e., Aberdeen, Bismarck & Northwestern in 1888; Rice Lake, Dallas & Menomonie in 1900; Bismarck, Washburn & Great Falls in 1904; Wisconsin & Northern in 1921; Fairmount and Veblen in 1915; Minnesota Northwestern Electric Ry. 1915.

Throughout the years the company proved a faithful transportation agency in the country it opened to settlement and to the towns that were established along its lines of road. Adequate power was necessary for good service. Power to move more tonnage faster, better and cheaper was ever the creed of railroad

operating men. The same creed created progress from the "little Rhode Island" wood burner to the huge 5,000 class locomotive and on to the highly efficient power unit of today - the Diesel-electric. The first diesel-electric was purchased in 1938. February 16, 1955, the railroad became the first major line west of Chicago to be completely dieselize.

CHANGING FORTUNES

A great war had been fought (WWI). The Soo Line and all railroads contributed greatly to its final successful conclusion, however, during the war period and following it, fixed costs had risen two fold, then three and four fold. The forests were gone. The saw mills dismantled. Wheat was being shipped east for manufacturing into flour. Another means of quick transportation had been developed. Hard surfaced roads were being constructed on which were operated buses and trucks vying for the business the railroads had enjoyed alone.

A devastating combination of drought and depression in the early 30's had a primary effect on reducing Soo Line cash reserves and earning power. Other railroads, some older and apparently stronger, had succumbed. The Soo Line finally filed a petition in bankruptcy December 31, 1937, and emerged from jurisdiction of the courts November 13, 1942. The result was a new corporation - The Minneapolis, St. Paul and Sault Ste. Marie Railroad Company, effective September 1, 1944.

In 1950 the corporate name was dropped except for legal matters and the trade name Soo Line Railroad adopted. The initials MStP&SSMRR, in small type were used under the Trade Mark.

After such study, debate and open hearings, the Wisconsin Central R.R. (owned jointly by the Canadian Pacific Ry. and the Soo Line but operated by the latter for over 50 years) was consolidated with the Soo Line along with the Duluth, South Shore & Atlantic R.R., (a wholly owned subsidiary of the Canadian Pacific), and reorganized as the Soo Line Railroad, effective January 1, 1961.

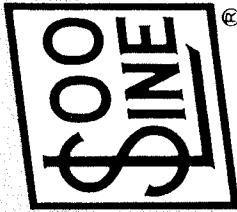


SAGA of the SOO

West from Shorham

SECOND EDITION
PART I

An illustrated history of the
Soo Line Railroad and its predecessors
in Minnesota, the Dakotas and Montana.



John A. G. Jevre
BY JOHN A. G. JEVRE

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Chili Line, the narrow rail trail to Santa Fe,
an illustrated history of the Denver Rio Grande
Western narrow gauge branch line from Anton-
ito to Santa Fe, 1880-1941.

Prologue

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The Soo's best friends have been wheat and the Canadian Pacific, yet the Soo could be described Minneapolis' best friend. In some pages that follow we shall review the conditions that encouraged the development of an independent rail link Eastward of Minneapolis.

One cannot study the history of early Minneapolis along with the corporate history of the Soo but be convinced that the dominance of Minneapolis today was insured by the presence of the Soo in 1890.

Yet, as the title implies, this is not the story of the Soo in Wisconsin nor of its later affiliation with the Wisconsin Central. Rather it is the author's intent to review Soo history in Minnesota, the Dakotas and Montana. Here is the granger Soo, a Soo that prospered when the farmer prospered and a Soo that faltered when the farmer faltered.

The Soo-Pacific Line (later called the Minnesota Division and today a part of the Western Division) was completed in 1893. This vital ribbon was to funnel settlers into North Dakota's rich middlelands, the Souris Valley as well as Saskatchewan. Here was a line which kept northern West Coast freight rates competitive before the Milwaukee flung its rails west to Puget Sound. This was the steel that carried the adventure-bound tourist to Banff and the Canadian Rockies. Likewise, Minneapolis became a port on the land bridge from Vancouver for Maritime traffic from the Orient.

Following the consolidation of 1888 and with the friendly presence of the Canadian Pacific, the Soo entered its days of growth and glory. During the first part of the twentieth century passenger service left little to be desired. Dining on the Soo was on a par with the best.

Our Midwest's treasures

Humboldt (Minneapolis) yard at night.
Soo Line Railroad



Minneapolis & Atlantic

Of the original divisions four were in Minnesota and the Dakotas. The Minnesota Division mentioned above arose from the old Minneapolis and Pacific Railway. Stretching from Minneapolis to Portal, a branch west from Flaxton provided the Soo's only entry into Montana. The Missouri River Division was spawned in 1900-01 when the Soo built up from Boynton to enter Bismarck in 1902. The rails of the Bismarck, Washburn and Great Falls Ry. were amalgamated (by purchase) into this division in 1904. Dispatching continued from the Bismarck headquarters until the great depression forced consolidation of the Missouri River with the Minnesota Division in 1930.

The Winnipeg Division was to make its appearance in 1903-04 with the construction of a new main line north from Glenwood to Noyes. This completed the three gateways for traffic exchange with the Canadian Pacific. Boldly, in 1905, the Soo pushed right into the heart of Jim Hill country with the 'Wheat Line' from Thief River Falls to Kenmare. Adding mileage to both the Soo and the Winnipeg Division was the Drake Line which was finished in 1912.

Important shortcuts for Dakota wheat to the head of the lakes — the Moose Lake - Plummer Line and the Brooten Line formed the old Duluth-Superior Division. In 1915 the Soo acquired a gem of a farmer's line, the Fairmount and Veblen. That story is chronicled here as well as the epic of W. D. Washburn's own road, the Bismarck, Washburn and Great Falls which was acquired in 1904.

The dry years and Great Depression compounded trouble upon trouble for a road where wheat crop statistics were vital to the annual report. The little giant was to fail as the consolidated M.St.P.&S.S.M. Ry. of 1888 filed for Bankruptcy on December 31, 1937. Emerging from the courts in 1944, it became the Railroad of the same name.

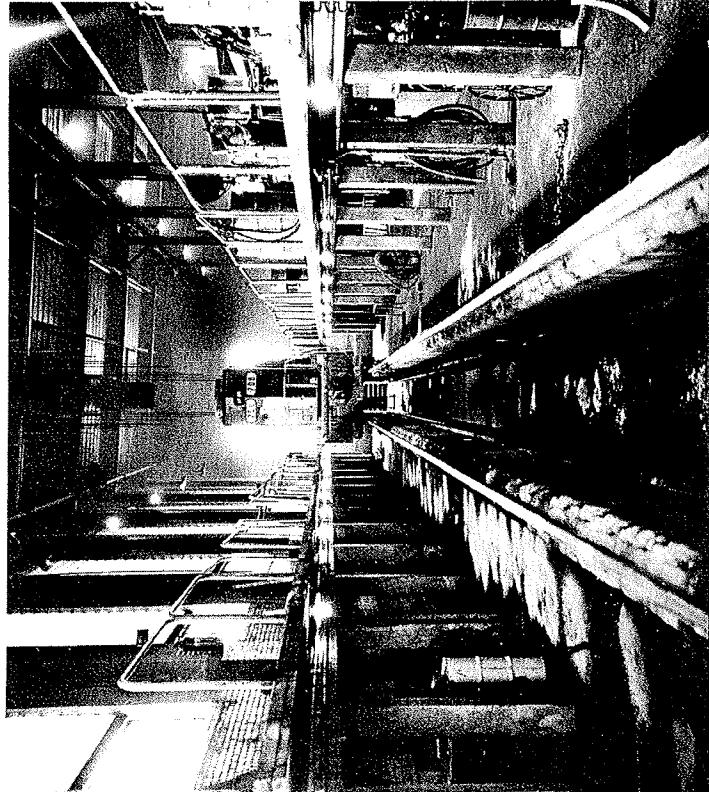
Following World War II, the character of the line began to change from that of a granger road to that of a bridge

line: We see the Soo hauling its share of raw materials and manufactured goods in and out of Canada. Hotshot freights run from Portal and Noyes to Minneapolis and Shiller Park. The steam power which had faithfully served since the first standard 4-4-0 in 1884 was gradually laid to rest. Now it is diesels, second generation diesels, computers and centralization.

In 1961 the M.St.P.&S.M. RR entered into a merger with the Wisconsin Central (which it had leased and run as a division since 1909) and the Duluth, South Shore and Atlantic (a wholly owned Canadian Pacific subsidiary). The new corporate title is the Soo Line Railroad Company.



Diesel facilities at Shoreham.
Soo Line Railroad



The original nucleus of spawned by the technology milling industry in Minnesota 1880's. In this section we economic details in order pose and intent of the Soc

The Northern climate is ideal for production of 1880, millers preferred soft easy to mill. The middling, mill tasty, nutritious flour wheat. A second innovation the replacement of mill stu

ter was to make large ce and the mills at St. Anthony dominant in the Northwest. At about this same time was able to arrange for t flour to Europe.

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The strangle hold was opening of the Lake Sup

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the Minneapolis Sault Ste. Marie & Atlantic Railway

The original nucleus of today's Soo Line Railroad was spawned by the technological revolutions that rocked the milling industry in Minneapolis during the 1870's and 1880's. In this section we shall recall those technical and economic details in order to make clear the original purpose and intent of the Soo.

The Northern climate of Minnesota and the Dakotas is ideal for production of hard spring wheat. Prior to 1880, millers preferred soft winter wheat. Such flour was easy to mill. The middlings purifier made it possible to mill tasty, nutritious flour economically from hard spring wheat. A second innovation in the milling industry was the replacement of mill stones with roller mills. The latter was to make large centralized flour mills dominant and the mills at St. Anthony Falls in Minneapolis were dominant in the Northwest.

At about this same time (in 1878) William Dunwoody was able to arrange for the first export of Minneapolis flour to Europe.

Minneapolis had water power, mills and market. The access was via rail, and railroads leading East from Minneapolis were quite unfriendly to the millers. Minneapolis was at the end of the line and Chicago was the break bulk point for shipment to the East. Rates were made in Chicago by and for Chicagoans.

If Minneapolis milling was to compete for its share of the Eastern seaboard market (and later the European), it would need some route to the East independent of Chicago.

The strangle hold was first broken in 1870 with the opening of the Lake Superior and Mississippi RR be-

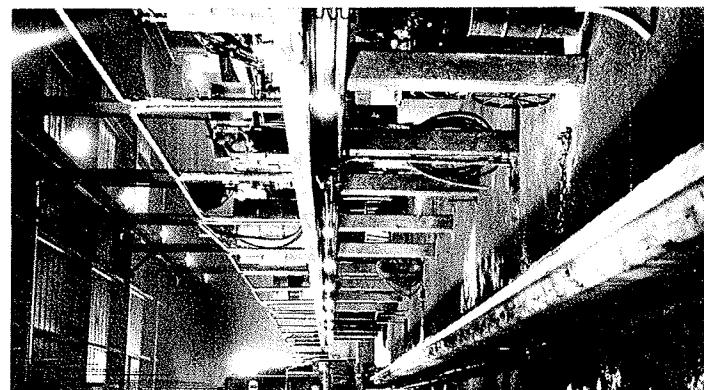
tween St. Paul and Duluth. This allowed shipment of grain through the Soo locks during the lake season. After 1872 perhaps 50% of eastern shipments were via Duluth. In May of 1871, W. D. Washburn and H. T. Welles organized the Minneapolis and Duluth Railroad Company. This was to provide connection between the flour mills on St. Anthony's Falls and the Lake Superior and Mississippi. At the same time these men along with others from the Mill City were financing and constructing the Minneapolis and St. Louis Railway. It was first constructed south to Albert Lea, Minnesota, connection being made there with the Rock Island.

Jay Cooke then seized control of the Lake Superior and Mississippi and with this the Minneapolis and Duluth and M.&St.L. became a mere division of the Northern Pacific. With the panic of 1873, autonomy was once again achieved and W. D. Washburn took over the M.&St.L. and remained its president until 1882.

Chicago and Milwaukee interests were not to be denied and were aggressive during this era in maintaining a strangle hold on the transport market. Railroad agents would go to the farm communities, purchase wheat and hold it. As the market tightened this wheat would be offered to the Minneapolis mills on the condition that it be shipped via Chicago. At the same time "Milling in Transit" gave Minneapolis some impetus. This was a rate device by which grain could be shipped to Minneapolis, milled into flour and sent on to the East with the through rate for grain applying. (Allowance was made in this arrangement for the shrinkage of the wheat during milling.) Unfortunately, this later was used by the Chicago railroads to force shipment on their line. The alternative was an outrageously high local rate.

As Washburn left the M&StL in '82, R. R. Cable of the Rock Island took over. At this time, capital was scarce in Minneapolis for the millers were changing from mill stones to roller mills and were adding middlings purifiers. The millers sold their interest in the M&StL with the hope that the rate problem was secure.

Diesel facilities at Shoreham.
Soo Line Railroad



Security was short lived and the new owners of the M&StL saw to it that Chicago was again the break bulk point.

About this same time the Canadian born Empire Builder, James J. Hill, reorganized (with Bank of Montreal help) the St. Paul and Pacific. Four years later in 1881 when the Canadian Pacific was organized, Hill was a member of the directorate. He attempted to persuade the Board to swing the main line of the C. P. down through Sault Ste. Marie to Minneapolis, thence via his 'Manitoba Road' to Winnipeg. Such a route would have been less expensive to construct and would have had greater traffic potential. However the C. P. was determined to construct an all Canadian route through the barren wastes of Manitoba and Ontario. James Hill resigned from the Canadian Pacific.

In September of 1883, W. D. Washburn, Thomas Lowry, Clinton Morrison, C. M. Loring, W. W. Eastman, H. T. Welles, George Newell, John Martin, J. K. Sidle, Charles Pillsbury, William D. Hale, and Charles J. Martin, organized and incorporated the Minneapolis, Sault Ste. Marie and Atlantic Ry. About one million dollars was raised that year.

Thus began what was perhaps the cleanest railroad project of its size in the country. A railroad built without stock manipulations, land grants or significant subsidies. During the following year 46 miles of road were laid between Turtle Lake and Bruce, Wisconsin. (Trackage rights over the Omaha Road provided entrance into Minneapolis). Money ran out for the road and when no more could be raised locally Charles Pillsbury went to London in 1885 to arrange an additional \$5,000,000 in financing.

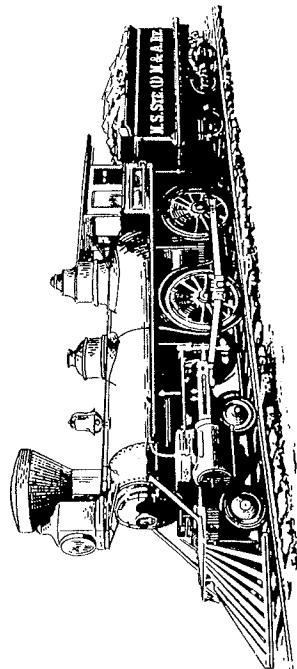
Hill organized the Willmar and Sioux Falls Ry. and later the Duluth Watertown and Pacific. These routes along with the Manitoba Road tapped the great Spring wheat areas of Western Minnesota and Dakota Territory. Minneapolis was bypassed entirely and a new terminal elevator was established at Superior. Flour milling in Duluth-Superior could competitively eliminate the Minneapolis mills.

It is readily seen that Minneapolis was in a bind. Chicago roads were buying wheat on the line, forcing shipment of the flour via Chicago. Hill's road was bypassing Minneapolis entirely, with the consequent shipment of wheat directly to the East for milling.

If Minneapolis was to have autonomy, it was time for a bold step. W. D. Washburn, who previously had promoted the M&StL and had been its president, invited interest in a line to be constructed through Wisconsin to Sault Ste. Marie, Michigan. Although this had been proposed by James J. Hill two years previously to the C. P., the route was first suggested back in 1873 by Israel Washburn, then Governor of Maine and a brother of William D. Washburn.

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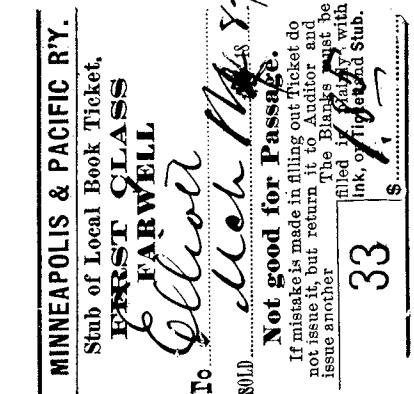
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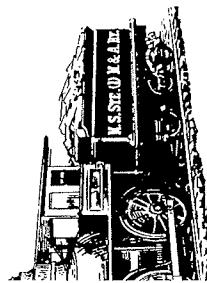
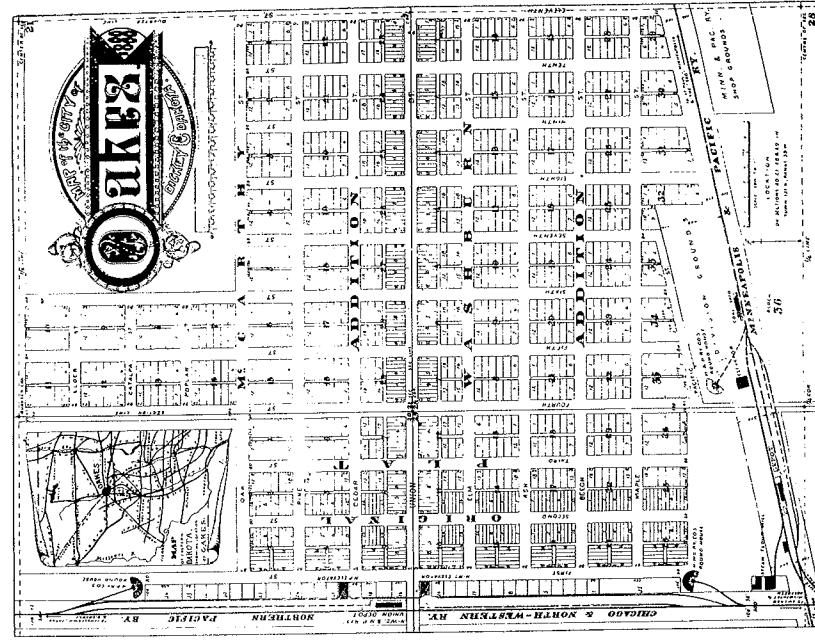
Minneapolis and the Pacific Railway

Two lines of James Hill's 'Manitoba Road' fanned north-westerly from Minneapolis like a giant net gathering the grain traffic all the way to the Red River Valley. The millers in Minneapolis needed a secure source of wheat to remain in business. Hill, however, had a grand scheme to bypass Minneapolis entirely — in building northeasterly to Duluth. Now the "Empire Builder" would be able to divert the produce from 'this' bread basket to his own fleet of Great Lakes steamers for shipment East. This situation although grave, was similar to that faced a dozen years earlier from which arose the M&St.L. You may recall that the agents from Chicago roads were buying wheat in the field — Forcing shipment on their rails of the milled product.

The Minneapolis and Pacific Railway was chartered in 1884 with a proposed route roughly half way between the two Hill lines west in Minnesota. Before construction was commenced on April 23, 1886 the charter was amended to allow construction into Dakota Territory. 60# steel rail was laid west that year reaching Lidgewood (Dakota Territory) in December of '86. By that

time the fledgling road already owned 16 locomotives, Rhode Island standards and Moguls and some Baldwin Standard 4-4-0's. Eight passenger cars, 5 Combines, 325 box cars and 150 flat cars were on the roster. The original directors were W. D. Washburn, Thomas Lowry, J. K. Sidle, J. C. Oswald, John Martin, H. E. Fletcher, and C. H. Pettit. Washburn was the original president along with Thomas Lowry as Vice President.

This bold westward thrust gave Minneapolis an independent supply of hard Spring wheat. But construction was costly and money for the battle both to the East in Wisconsin and Michigan as well as to the West came from essentially the same sources. Times were hard — creditors pushed and the M. & P. and sister M.S.S.M. & A. were forced North to Canada for their salvation. With infusion of money came the consolidation of 1888.



AND IN 1884

Actual construction of the M. and P. was done by Langdon and Company. Robert Bruce Langdon was a long time railroad builder who had been in charge of the party that broke ground for the first railroad in Minnesota during 1858.

With only rolling prairies to conquer, Langdon's men were able to grade and complete 218 miles all the way to Lidgerwood, Dakota Territory, during the season of '86. In the process they took over the right of way of the Dakota Midland Railway which had been organized in 1884 at Forman.

During 1886, 2000 men and up to 500 teams were used by Langdon on the Minneapolis and Pacific and other projects. In the Spring of '87 construction was continued West on Dakota Midland grade and right of way to Forman, through Oakes and on to Boynton. These 69 additional miles ended the construction history of the M. and P.

The single incident of armed warfare in the Soo-James Hill rivalry, occurred during the construction of the M. and P. in the Spring of 1886 at Hankinson, Dakota Territory. Squatter's rights prevailed in D. T. in those days and it did matter who spiked their rails across the grade crossing first. Let's hear about the incident in the words

of Fred D. Underwood (at that time General Manager of the Minneapolis and Pacific).

" . . . word came to me that Jim Hill was laying ties and spiking rails on my grade. Of course I didn't like that and I decided to do something about it. I'd been planning a hunting trip for some time and I thought then would be as good as any time to go. So, I went to the Milwaukee people and hired a coach and engine. I gathered about 25 huskies and went out shopping."

"I came downtown to Kennedy's gun store and told him I wanted some guns. He asked me how a bunch of Springfield smooth bore rifles would suit. I looked at a case of them and they suited me — they had bayonets attached. Then I got a bushel basket full of revolvers and had them sent on to the train. I got some bread too but there was not enough food once we got underway . . .

"Anyway we went on our hunting trip and nobody knew what we were up to. The first fluke was when we arrived there. The crew of 300 (of Hill's men) were just picking up . . . they left a big guard of six men behind.

"We sneaked along in real guerilla fashion to where

the new railroad was being spiked down . . . we were a

sight. Each man had a rifle and most had bayonets. We

all had revolvers stuck in our belts and pockets. We were

a tough looking bunch. We had tackled those mighty glad they could have stopped us."

—M.

Mr. Underwood then took a team of horses to the M. and P. line from the M. and P. ditch.

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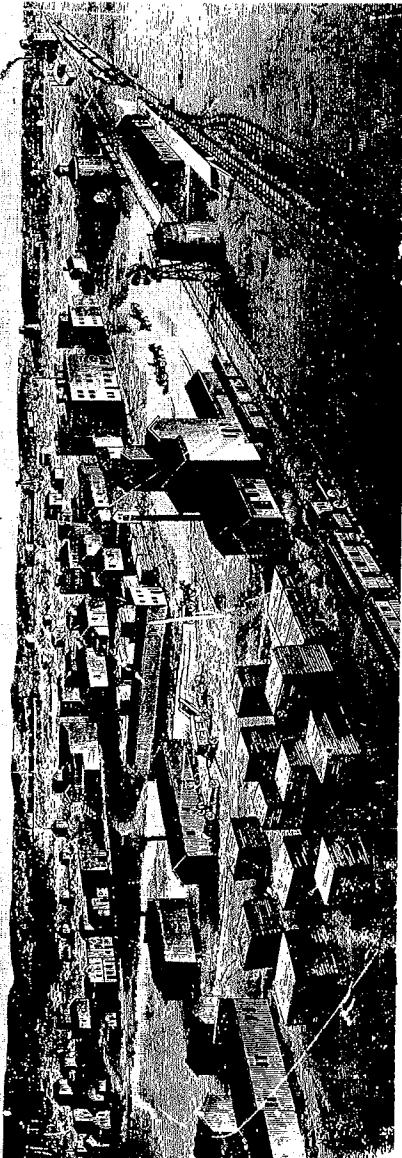
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Stuart Nelson collection



*Oakes, D.T.
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a tough looking bunch, but I don't know how we would have tackled those 300 if it had come to a showdown. I'm mighty glad they didn't know how hungry we were or they could have starved us into submission. "After we took command of the new line we had to remove it from our right of way. There was a case where neither of us had right to the land. We were just exercising squatter's rights and one squatter had squatted on the other."

Mr. Underwood then went on to tell how with the aid of a team of horses they removed the entire loosely spiked line from the M. and P. grade and overturned it in the ditch.

When R. H. Hankinson platted the townsite a few weeks later, he commemorated the threatened battle in naming the town Fort Hankinson. The Fort has since been dropped, but Cannon, Grape and Canister Avenues complement Grant and Sherman Streets today — reminding us of near blood shed 84 years ago.

the

Aberdeen Bismarck and Northwestern Railway

Here was a railway incorporated prior to the organization of any of the predecessor companies to the M.St.P&S.M. Ry. of 1888. It had no physical connection with the rest of the system. During its corporate existence rail was never laid on the 210 miles of graded roadbed. Yet the consolidated Soo of 1888 assumed all the liabilities and obligations of this rail-less railway.

Originally incorporated June 1, 1883 as the Ordway, Bismarck and Northwestern Railway, the line was to run from Ordway in Brown County to Bismarck. During an April 1887 meeting of the Board of Directors in Minneapolis a route change from Ordway to Aberdeen was approved. The line was also projected to run south to

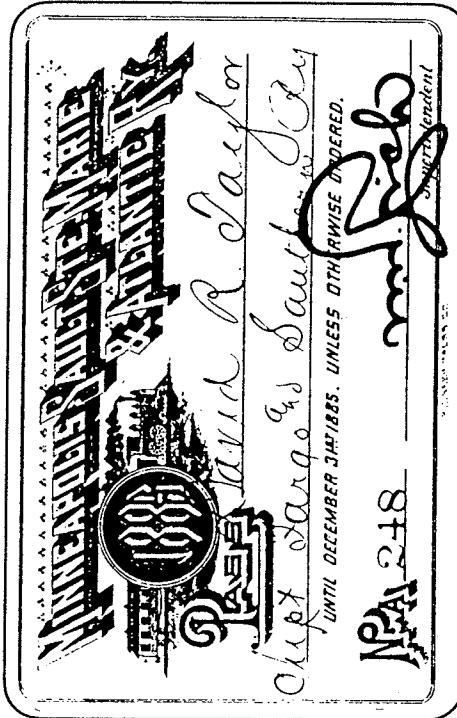
Watertown. With a new route a name change was approved and made effective June 1, 1887. The Northwestern Construction and Improvement Company (then controlled by Thomas Lowry) purchased some right of way in 1886 acting on behalf of the Company. During 1887 this same construction company accomplished grading the entire 210 miles from Aberdeen to Bismarck.

Capitalized at \$500,000 most of the outstanding stock came to be owned by Lowry and associates in return for the construction efforts of 1887. This then was exchanged for stock in the merger of 1888.

In 1901-02 the Soo made use of the grade from Ashley to Bismarck. Otherwise the dream stood and still stands as a long moraine on the prairie. In 1909 the Minneapolis and Saint Louis proposed to use the grade in extending their line from Leola to Ashley.

The grade remained a chronic tax liability for the Soo until the depression year of 1934. At that time a favorable ruling allowed the writeoff of \$2,149,507 as the grade was lost through adverse possession.

The major importance of this line was its role in assuring Soo entry into Bismarck, North Dakota's Capitol City.



the Consolidation of 1888

During 1887 as the Minneapolis and Pacific pushed its 60 pound rail into Dakota Territory, the Minneapolis, Sault Ste. Marie and Atlantic reached the Soo. A separate corporation (the Minneapolis and St. Croix Railway) had been chartered in 1884 to build east from Minneapolis to Turtle Lake, Wisconsin and these rails were also laid during 1887.

Capital had been scarce and it was necessary to turn to Canada for backing. It was through the efforts of Lord Stephen and Donald Smith of Montreal that the required financing was accomplished so that the Soo could advance on both the east and on the west. As will be stressed later, the backers of the Canadian Pacific required that the four lines merge. Thus came the consolidation of 1888.

It was on June 11, 1888 that W. D. Washburn, President of the Minneapolis and Pacific as well as the Minneapolis, Sault Ste. Marie and Atlantic along with J. M. Robinson, President of the Minneapolis and St. Croix and E. P. Wells, President of the Aberdeen, Bismarck and Northwestern and the respective secretary of each railway signed the historic articles of consolidation.

Thomas Lowry, the Twin City streetcar magnate became president of the consolidated Minneapolis, St. Paul and Sault Ste. Marie Railway. Lord Stephen and Smith together purchased 1000 shares, more than half of the stock, thus giving the Canadian Pacific control of the new line which now stretched 781 miles.

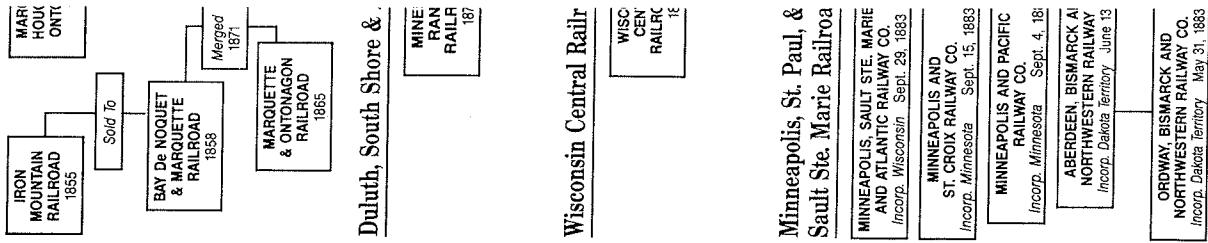
Capital stock was \$21,000. Shares were \$100 each. \$7,000,000 was in preferred stock and \$14,000,000 in common stock. Funded debt consisted of \$10,000,000 in M.S.S.M.&A. 5% gold bonds and \$4,290,000 in 50 year 5% 1st mortgage bonds.

By 1889 the railway owned 62 locomotives, 41 passenger cars, 11 baggage and mail cars, 2636 box cars along with other necessary rolling stock including 35 cabooses. During September 1893 the main line was completed to Portal, N. Dak. where connection was made via a Canadian Pacific branch to Moose Jaw, Saskatchewan on the CPR main line.

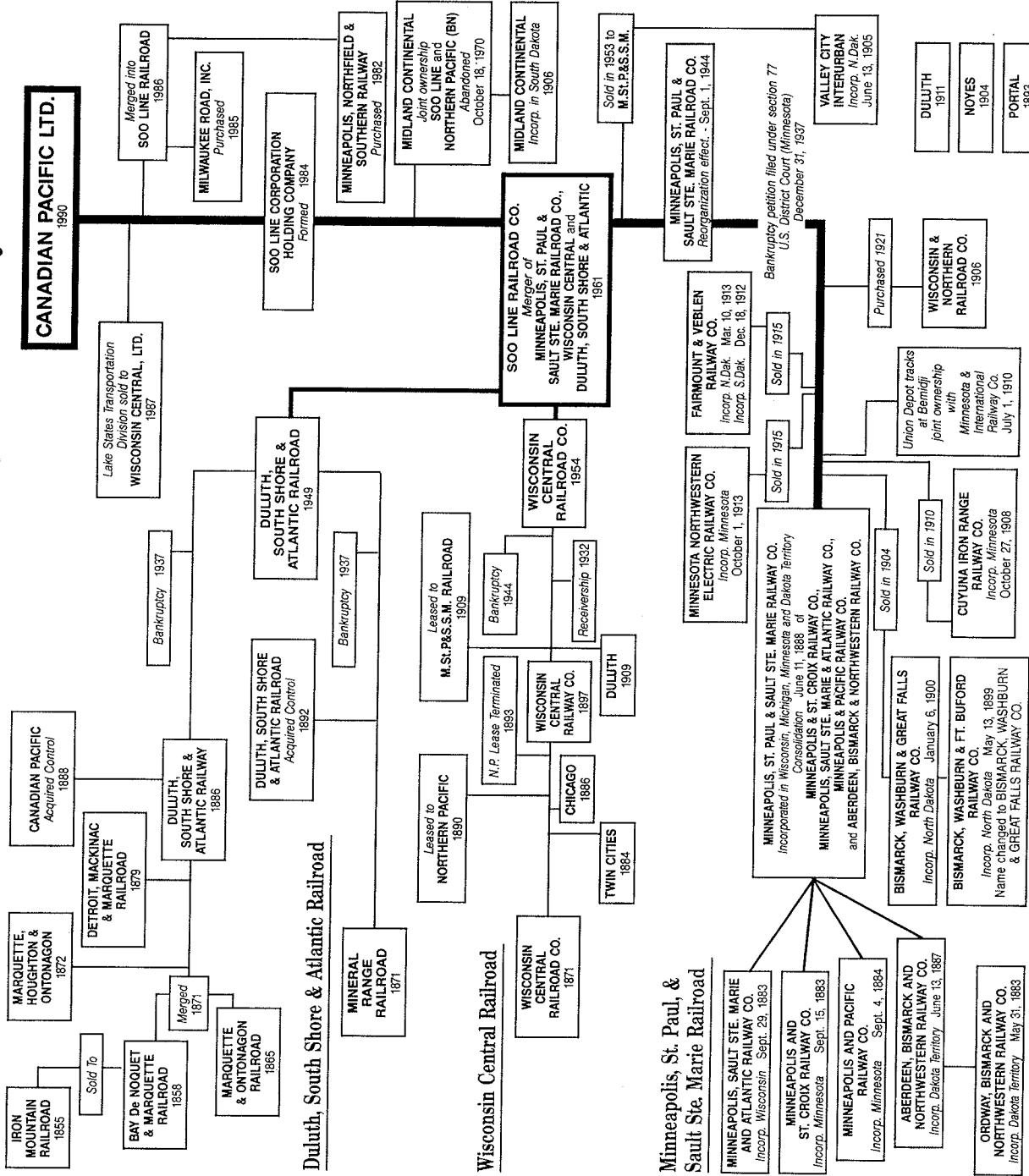
Although the Soo's presence in Wisconsin is vital and its history there interesting, we will concern ourselves in the pages to follow with Minnesota and Dakota construction and operational history.

For it was to the prairie that the Soo brought the pioneer, his pride, his bride and his possessions. Wheat was to bring modest prosperity to railroad and pioneer farmer alike. Lack of industry, absence of mountain grades might make Soo operations seem as stereotyped as a one commodity common carrier. But snow and Dakota blizzards, rain, wrecks, drought, depression, Edmund Pennington, the magnificent 'Mountainer' and competition with the redoubtable James J. Hill all kept the Soo from being a 'one horse railroad'.

NOTE: *Actually the Minneapolis and St. Croix only built as far east as the Minnesota-Wisconsin state line.*



SOO LINE RAILROAD - Corporate History

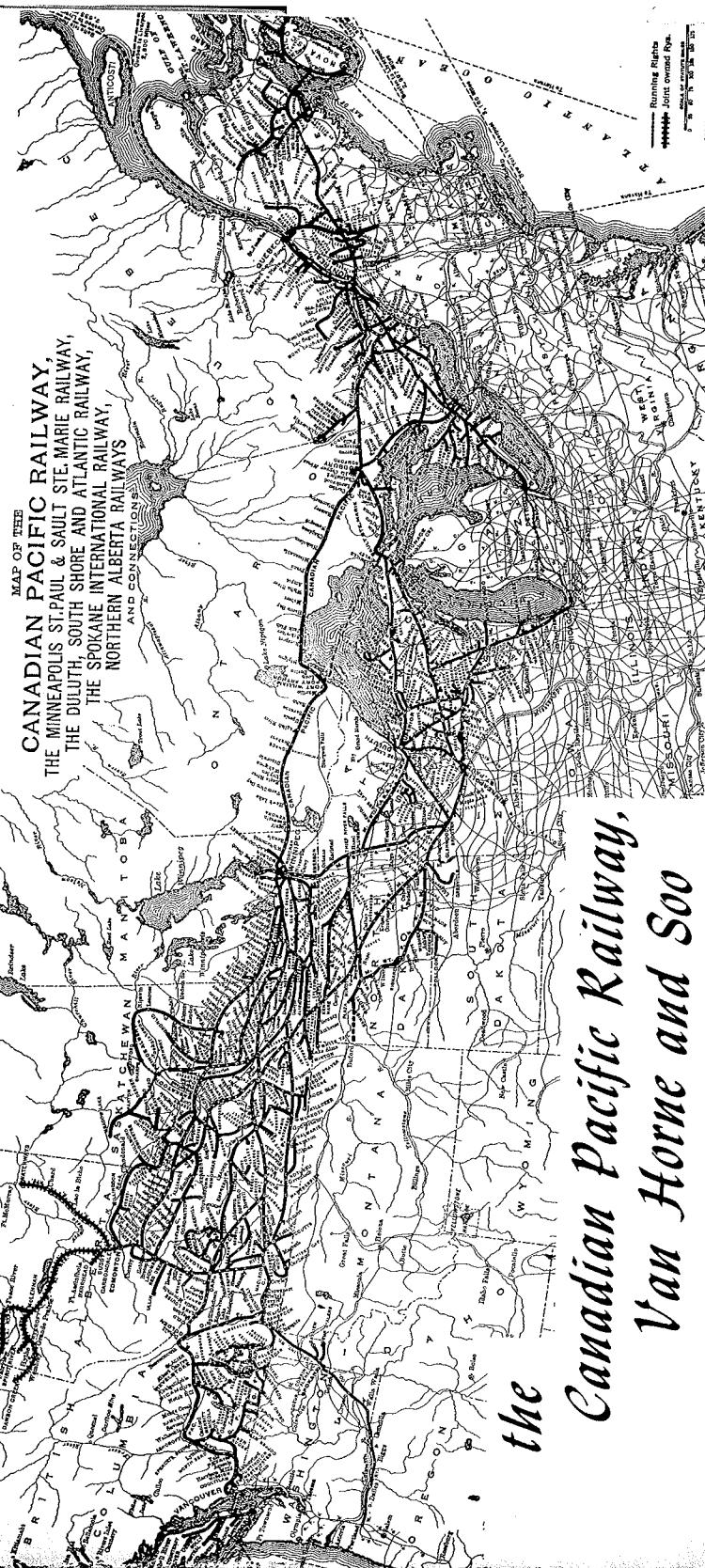


comotives, 41 passenger cars, 2636 box cars along with 35 cabooses. The line was completed to Fort Macleod in 1905 and to Lethbridge in 1906.

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Soo brought the pioneer sessions. Wheat was sown and pioneer farms of mountain grades stereotyped as a one snow and Dakota blizzard, Edmund Pen- session, Edmund Pen- namer, and competition all kept the Soo from

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the Canadian Pacific Railway, Van Horne and Soo

During the 1860's, railway construction was an essential factor in the unification of the Eastern Canadian Provinces into Confederation. Prospering British Columbia seemed a ripe plum to be seized by the U.S.A. following purchase of Alaska in 1867. To insure British Columbia's entry into the Confederation, a railway to the Pacific was imperative.

In 1870 and 1871 agreement was reached with Ottawa calling for completion of such a railway within ten years. British Columbia entered the Confederation on July 20, 1871. And thus was to begin the disappointing seventies. All promises aside, the government was able to construct only some 700 miles of Pacific railway during the decade. The 1800 miles remaining were in the traffic-poor prairies and over the Rockies.

In 1880 James Hill's syndicate, fresh from its success with the Manitoba Road linking St. Paul with Winnipeg,

offered to do the job. After considerable political debate, the Canadian Government granted a provisional contract to the syndicate in 1880. A formal charter was set forth on February 15, 1881 with George Stephen of Montreal as president. The directorate was comprised of Stephen, Donald Smith and Duncan McIntyre of Montreal, James Hill and Richard Angus of St. Paul, John Kennedy & Co. of New York, and a Paris and a London bank.

This Charter specified that British Columbia be linked with the Eastern Provinces within ten years. Although provisions were made for a subsidy, land grants, monopoly and other considerations,—to many the Pacific railway seemed an impossible dream. American control of the syndicate was specifically forbidden by requiring that a majority of the directorate be subjects of the crown. Yet it remained for an American (William Van Horne) genius to complete the herculean task by 1886.

While James J. Hill was consolidating the interests of the St. Paul, Minneapolis and Manitoba (later the Great Northern) he came to know William C. Van Horne. Van Horne was then General Superintendent of the Chicago, Milw. and St. Paul R. R., a practical railroader, who had enjoyed a meteoric career. He was only fourteen years old in 1857 when he started as a telegrapher with the Illinois Central. By 1872, he was General Manager of the St. Louis, Kansas City and Northern. Accepting Presidency of the bankrupt Southern Minnesota Railway in 1874, he overhauled the road and effected such a successful reorganization that it was purchased by the Milwaukee Road in 1879.

When he arrived in Winnipeg on December 31, 1881, he was only 38 years old. With a flair for organization and the ability to mold an Esprit d'Corps he was without peer. The CPR was built almost without labour strife. Indian uprisings were never the problem that plagued roads south of the 49th parallel. Logistic support during the construction approached the Apollo project in precision.

Although American by birth, Van Horne clearly saw the need for an all Canadian route north of Lake Superior. This action raised the ire of James J. Hill and he left the CPR Syndicate in 1883. Notwithstanding, the last spike was driven in 1886 five years ahead of the charter specification. In 1888 George Stephen stepped down and Van Horne became the CPR's second president, a position he was to occupy until 1899.

During this same time, the Minneapolis and Pacific as well as the Minneapolis, Sault St. Marie & Atlantic were continually pressed for construction as well as operational funding. The Grand Trunk was wooing the Soo, but had no money with which to act. Van Horne clearly saw the value of the Minneapolis based route as a feeder and believed it could well pay its own way besides. However, the CPR's financial status at the moment (1886-88) was nearly as precarious as the Soo's. Fortunately, George Stephen and Donald Smith of the syndicate were well

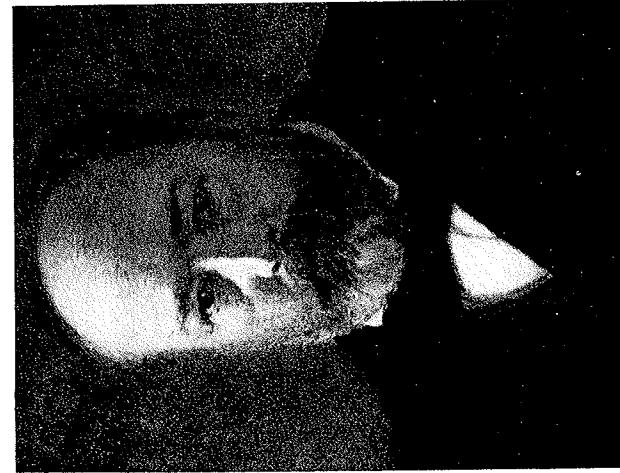
heeled and had connections that enabled them to personally arrange for further financing of the Soo Line. In return, they insisted on the consolidation of 1888 and were able to obtain a controlling interest of the newly merged road, now the MSP& SSM Ry. At the same time the Duluth, South Shore and Atlantic was purchased, giving the Canadian Pacific an entry into Duluth.

James J. Hill and Van Horne seemed friendly enough socially but the Great Northern and the Canadian Pacific were the standard bearers in their ruthless economic struggle. Hill left the CPR Syndicate in 1883 when it became apparent that Van Horne would build the Canadian Pacific north of Lake Superior. Had the road been built according to Hill's wishes—Washburn would not have built the Soo. For the Empire Builder wanted the CPR built through Sault Ste. Marie to St. Paul—then up to Winnipeg on the Manitoba Road.

In leaving the CPR, Hill said of Van Horne "I'll get even with him if I have to go to hell for it and shovel coal." Never at the loss for words, Van Horne retorted "Well if he does, I'll tear the guts out of his road."

In 1893 the remaining al, North Dakota were Van Horne could route neapolis to Vancouver (same year James Hill \$ acquire the Duluth and It was not until aft that the Soo acquired a off from Glenwood to

In June of 1890 per tablished between the N. With these agreements ante interest on some tain of these bonds wer played in the bankrupt these original agreemen anteed other bonds. In advances were regular! The Soo followed V ing its own express co as its fleet of sleeping restaurants became par the Soo's banteries w convenience. Soo pass the CPR in promotin traffic.



Sir William C. Van Horne, K.C.M.G., President of the Canadian Pacific 1888 to 1899.
Canadian Pacific photo

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James J. Hill

In 1893 the remaining 183 miles from Cathay to Port-al, North Dakota were completed on the Soo-Pacific line. Van Horne could route through traffic west from Minneapolis to Vancouver on the CPR. Unfortunately, in that same year James Hill snatched away the Soo's chance to acquire the Duluth and Winnipeg.

It was not until after Van Horne had left the CPR that the Soo acquired a route to Winnipeg when the cut-off from Glenwood to Noyes was completed in 1904.

In June of 1890 perpetual traffic agreements were established between the M.St.P & S.S.M.Ry. and the C.P.R. With these agreements the Canadian road agreed to guarantee interest on some \$20,000,000 of Soo bonds. Certain of these bonds were due in 1938, a factor which later played in the bankruptcy of the Soo. Under extension of these original agreements in 1899 and 1925 the CPR guaranteed other bonds. In fact, through the depression cash advances were regularly made from Montreal to keep the Soo followed Van Horne's example by establishing its own express company (Western Express) as well as its fleet of sleeping cars. Although the CPR's on line restaurants became part of a world famous hotel system, the Soo's beaneries were operated mostly for employee convenience. Soo passenger agents worked closely with the CPR in promoting Banff and Canadian Rockies traffic.

THE ONLY THROUGH CAR ROUTE



ST. PAUL AND MINNEAPOLIS

+ TO +
NEW YORK QUEBEC
NEW ENGLAND ONTARIO
BOSTON MICHIGAN
MONTREAL NOVA SCOTIA

Solid Vestibuled Train to Montreal.
Through Sleepers to Boston.

WESTERN EXPRESS COMPANY

Operating on the Soo Line, Duluth, South Shore and connecting, covering over 11,000 miles of railway, touring all important points in the Northwest, connecting with responsible express companies for all points to the United States; Royal Mail Steamers to and from Europe; Canadian Pacific Mail Steamship Line to and from all treaty ports in Japan and China; and Canadian Australian Line of Royal Mail Steamships to Australia, via Honolulu, H. I., and Sava, I.-q. Possessing the best facilities, transporting merchandise, money, bonds and valuables with security and despatch, between all points on the Soo Line, and Duluth, South Shore & Atlantic Railroad, connecting with express companies for all parts of the world. Collect drafts, bills with goods C. O. D., notes, coupons and other paper. Deposit money in bank, record deeds, pay taxes for non-residents and execute any important commissions carefully, promptly and at reasonable rates. Grant special rates on produce and on large consignments of merchandise. Sell money orders payable in the United States, Canada and Europe.

S. A. DAVIS, Superintendent.

P. D. UNDERWOOD, W. S. THORN, W. R. CALLAWAY,
General Manager, Ass't. Gen. Pass. Agent,
MINNEAPOLIS, MINN. ST. PAUL, MINN.

One of the few instances in strained relations between the two roads occurred in 1940. In order to obtain the long haul on east bound traffic, the CPR began interchanging at Noyes instead of Portail. During the first year

this new policy was in effect, revenues diminished some \$250,000 for the then bankrupt Soo. Agreement was made in May of 1948 for partial return of this once lucrative traffic to the Soo.

A small point in CPR history deserves mention because of later bearing on the Soo's failure to become a



transcontinental road itself. In the late 1890's construction of the Crow's Nest Line in southern British Columbia was to protect the Canadian road from intrusion by James Hill's expanding Great Northern. Montreal then gained control of the Spokane International Ry. in 1906. With running rights over the W.O. Ry. and Navigation Company to Portland, the Soo would have only needed to cross 700 miles of Montana to become a transcontinental.

Fortunately the poor performance of the Milwaukee's Puget Sound extension—along with World War I—dampened permanently the plans for a Montana Division of the M.St.P.&S.M.



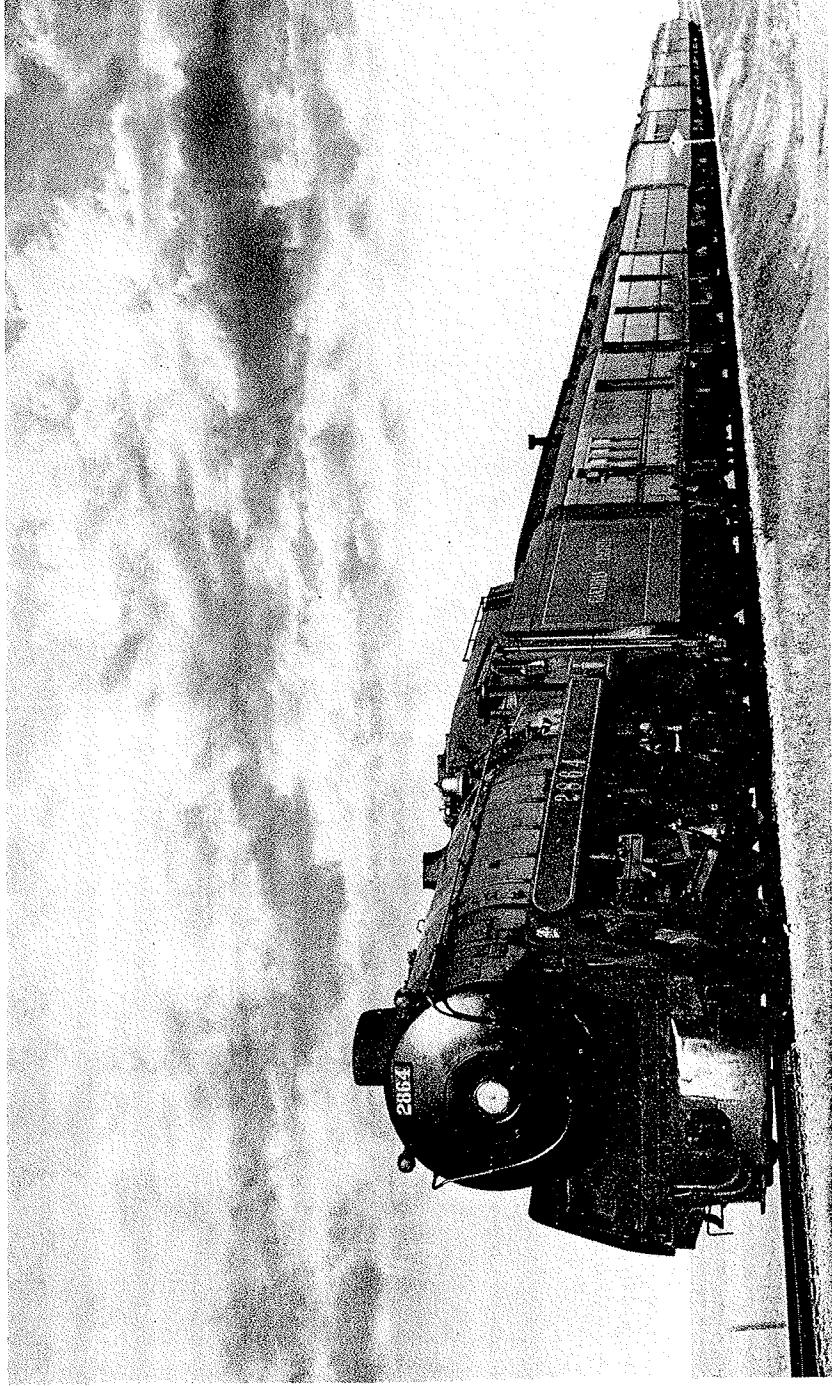
Some 56% of Soo the Canadian Pacific neapolis, St. Paul a the Duluth, South sin Central. Thus w of the CP on the S 5 on the board wer This interlocking did not change ever

ture that occurred i of the Soo Line Cor being its wholly-ow the CP was intimat waukee Road acqui negotiated a track open a new gatewa Partly in order to acquisition and par sin was now reduc lines were light den Corporation sold 2 Central Ltd. in 19 It was subseque that the CP began its entire 56% stal

The first order employee-led buyou be a leveraged sale

July 28, 1957. The Mountaineer has left the CPR main line to connect with the Soo at Portal. By now the Mountaineer could only muster a General Motors covered wagon at Portal. Besides the power switch, the Soo will add its diner at Portal and eastbound travelers can enjoy a somewhat tardy lunch.

Photo from the George-Paterson Collection



Some 56% of Soo Line Railroad stock was owned by the Canadian Pacific after the 1961 merger of the Minneapolis, St. Paul and Sault Saint Marie Railroad with the Duluth, South Shore and Atlantic and the Wisconsin Central. Thus was to continue a substantial presence of the CP on the Soo's board of directors. (Usually 4 or 5 on the board were CP officers.)

This interlocking relationship with the CP in general did not change even with the change in Soo Line structure that occurred in 1984. That year saw the formation of the Soo Line Corporation with the Soo Line Railroad being its wholly-owned subsidiary. It is a given then that the CP was intimately aware of and involved in the Milwaukee Road acquisition of 1985. In the same year Soo negotiated a trackage sharing agreement with CSX to open a new gateway to Eastern Canada at Detroit.

Partly in order to raise cash to pay for the Milwaukee acquisition and partly because the main line in Wisconsin was now redundant and the remainder of Wisconsin lines were light density with Class I costs – the Soo Line Corporation sold 2,000 miles of track to the Wisconsin Central Ltd. in 1987.

It was subsequent to this sale (but not because of it) that the CP began a serious attempt to divest itself of its entire 56% stake in the Soo.

The first order was to explore the feasibility of an employee-led buyout of the company. Because it would be a leveraged sale, some concessions in work rules by

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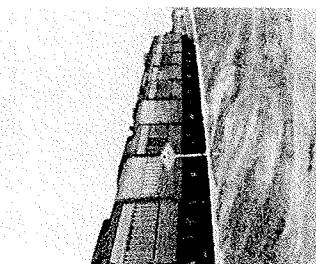
the unions would be necessary. Progress was made during mid 1988 but by that Fall the concession issue could not be resolved nor was financing available.

Subsequently Canadian Pacific Ltd. (CPR's parent holding company) made multiple attempts to sell in one lot its entire Soo Line holdings. But no viable buyer emerged and so the next move on October 19, 1989 was by William Stinson, CEO of the CP. An offer was made to the Soo's Board of Directors that CP Ltd. purchase the remaining stock of minority Soo stockholders. By December 1989 the Soo's Board was able to recommend to its stockholders that the proposed buyout was fair and doable.

By January 23, 1990 almost all of the minority stockholders accepted CP's offer of \$21.50 a share. The actual offer had been made through a specially created CP subsidiary – the Soo Line Acquisition Corporation. So the Soo became part of giant CP.

During the 107 years from 1883 to 1990 the Soo and its predecessors were a Minnesota stock railway with its board sitting in Minneapolis. What the next 107 years will bring staggers our minds. – We all wish the Canadian Pacific/Soo well – very well indeed.

*Boast not thyself of tomorrow for
thou knowest not what a day may
bring forth.*
PROV 27:1



The Dominion passes customs in 1954. That's Conductor LeClaire on the left and Brakeman Groth in the center.
T. L. O'Neil

PC

THE SOO LINE

BY PATRICK DORIN



Superior PUBLISHING COMPANY

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Seattle, Washington

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Chapter 1

A Historical Outline

The Soo Line Railroad Company—what is it? Some may say it is a mid-western railroad perhaps adding that it is a granger railroad. Others will tell that it is a subsidiary of Canadian Pacific Railway, which in a way is correct since CP owns 54% of the Soo. Still others may comment that it is not well known outside of its immediate territory. All of these things may be true, but the ideas tell very little about one of North America's most dynamic railroad companies, a company that still chooses to call itself the Soo Line *Railroad* Company. It has not dropped the name "railroad" to illustrate supposed forward thinking. It is not ashamed of being a *railroad*.

What is the Soo Line Railroad? It can be thought of as a giant funnel for many Canadian products, Wisconsin paper and a wide variety of other commodities en route to mid-western, eastern and southern market areas. These products flow into the United States in North Dakota, Minnesota and Upper Michigan and the volume grows as one watches the traffic move closer and closer to Chicago. All of this comes together on the Second and First Subdivisions of the Eastern Division, a single track main line equipped with Centralized Traffic Control.

The Soo Line is basically involved only in the business of moving freight and concentrates all of its efforts and money into the railroad. It has consolidated its operating efficiencies through its 1961 merger, which in turn made the Soo Line a profitable railroad.

However, cost reductions alone do not make a railroad profitable. The Soo Line has a philosophy that can best be described as:

A company which believes the service produced must fit the needs of the customer and that most of the effort must be toward filling those needs.

A company which believes in producing a profit for providing a service.

A company which believes in innovation, but not innovation simply for the sake of changing. The company can point to many firsts, such as the unit grain train, consolidated pulpwood yards and direct Chicago interchange with outbound roads—the Soo did it first.

The Soo Line is an aggressive carrier in the territories it services. Except for upper Michigan and possibly Thief River Falls, Minnesota, the Soo Line does not dominate any of its

principal markets, in fact it is usually in a sub-dominating situation. It must work much harder to gain business. Further, the upper mid-west is not a major growth market in the United States, and therefore the company must develop not only its on-line business but its off-line as well. For the latter, the Soo must depend upon the eastern and southern carriers because it can be said, "a railroad can only be as good as its connections."

The railroad believes that their efforts to produce a profit must do two things: reinvest in the company and pay a return to the shareholders. Since the company has virtually no control over rates charged the shippers, every effort is made to produce services at the lowest possible cost.

The Soo Line also believes that they must provide the necessary tools to provide service. Since the 1961 merger, the company has acquired over 8,000 new freight cars with another 550 on order for 1978. The total fleet consists of about 12,000 cars, most of which are designed to meet the needs of the customers served in Soo Line land.

Finally, one rather important factor in the Soo Line success story is the belief that everyone on the Soo works for the traffic department. The clerk, switchman, and vice president are salesmen in essence when they work with a customer. Each must do his or her work as if performing directly for the customer. The Soo feels that the customer is the most important part of their work.

It appears as though the Soo Line has solved an especially nasty problem, if indeed, everyone does work for the traffic department. Most of the Soo Line employees that this writer interviewed during the research for this book agreed that they do indeed work for the Traffic Department.

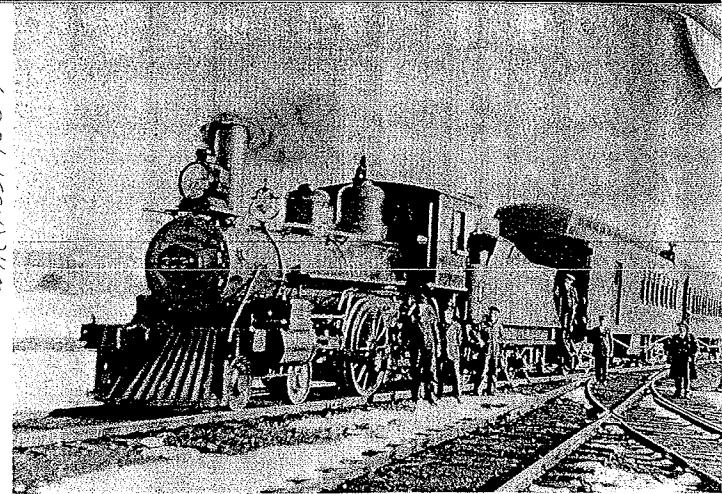
This writer has always felt that this particular problem has contributed substantially to the ills of the railroad industry. In 1964, this writer was interviewed by an eastern carrier for a position. When I discussed the problem of the seeming inability of the traffic and operating departments to be able to co-operate, the gentleman simply laughed and commented that this is how it has always been, and always will be. In 1977, this writer interviewed with a mid-western based trans-continental carrier, and again I brought up the problem. Again I had the same reaction. Obviously, the problem still existed. Therefore, I could not resist bringing up the subject when conducting research for the Soo Line book, and was surprised to learn that the Soo Line did not fit into the mold. Not an impossible problem to solve, larger carriers take notice.

Such a railroad did not spring into being overnight. In fact, the Soo Line will celebrate its 100th anniversary in 1983.

Turning back the pages of history, one finds that a

PC

These two early maps published by the Soo Line show the extent of the company by 1900 and some interesting highlights. The bottom map shows the entire Canadian Pacific System, while the top map shows the Duluth, Shouth Shore and Atlantic Railway inked in as heavy as the Minneapolis, St. Paul and Sault Ste. Marie Railway. Further, to the west of Duluth is the Duluth & Winnipeg, inked in rather prematurely by the Soo. The D&W later became part of James J. Hill's Great Northern Railway. (MStP&SSM Annual Report, 1900)



W.H.C. (X3) / 4857

The year is about 1895 when a passenger train posed with its crew for its portrait. The 4-4-0 was more than adequate for the two car local, which was photographed at Dresser, Wisconsin. (The Banta Collection, State Historical Society of Wisconsin)

number of railroads were constructed in the United States for no real reason at all. Someone or a group saw a chance to earn a dollar, either in a honest or dishonest way, and railroads by the thousands of miles were constructed only to prove badly during the twentieth century. Such is not the case with the Soo Line. A very good reason existed for the construction of a railroad from Minneapolis to Sault Ste. Marie.

It all came about because the Minneapolis to Chicago railroads were taking advantage of a good thing on the shipment of grains and flour to eastern markets. The Twin City flour mills were at the mercy of the Chicago rate makers, who cared little about marketing concerns of the millers. Consequently, the railways to Chicago would eventually lose some of the flour traffic to a new railroad that would bypass the Windy City with a new route to Boston via Canada.

The new railroad was incorporated in Wisconsin on September 29, 1883 with the following group of men signing the articles of incorporation: W.D. Washburn, H.T. Wells, John Martin, Thomas Lowry, George R. Newell, Anthony Kelly, C.M. Loring, Clinton Morrison, J.K. Sidel, W.W. Eastman, W.D. Hale, C.A. Pillsbury and C.J. Martin. Mr. Washburn was elected the first president. The railroad was completely financed by Minneapolis interests with 75% of the stock owned by flour manufacturing companies. The name of the new railway was "Minneapolis, Sault Ste. Marie and Atlantic Railway."

Construction of the new company began in April 1884 at Cameron, Wisconsin. The new company built westward to Turtle Lake and east to Bruce, a distance of 46 miles. The company secured an agreement with the Omaha Railroad for entrance to Minneapolis.

Construction of this first segment of the Soo Line was slow. In 1885 the trackage was built 22 miles further east and arrived in Rhinelander in 1886. It finally reached Sault Ste. Marie on December 10, 1887. The same year the Canadian Pacific constructed its line from Sudbury to the Soo to make connection with the Soo Line. The year 1887 also saw the gap

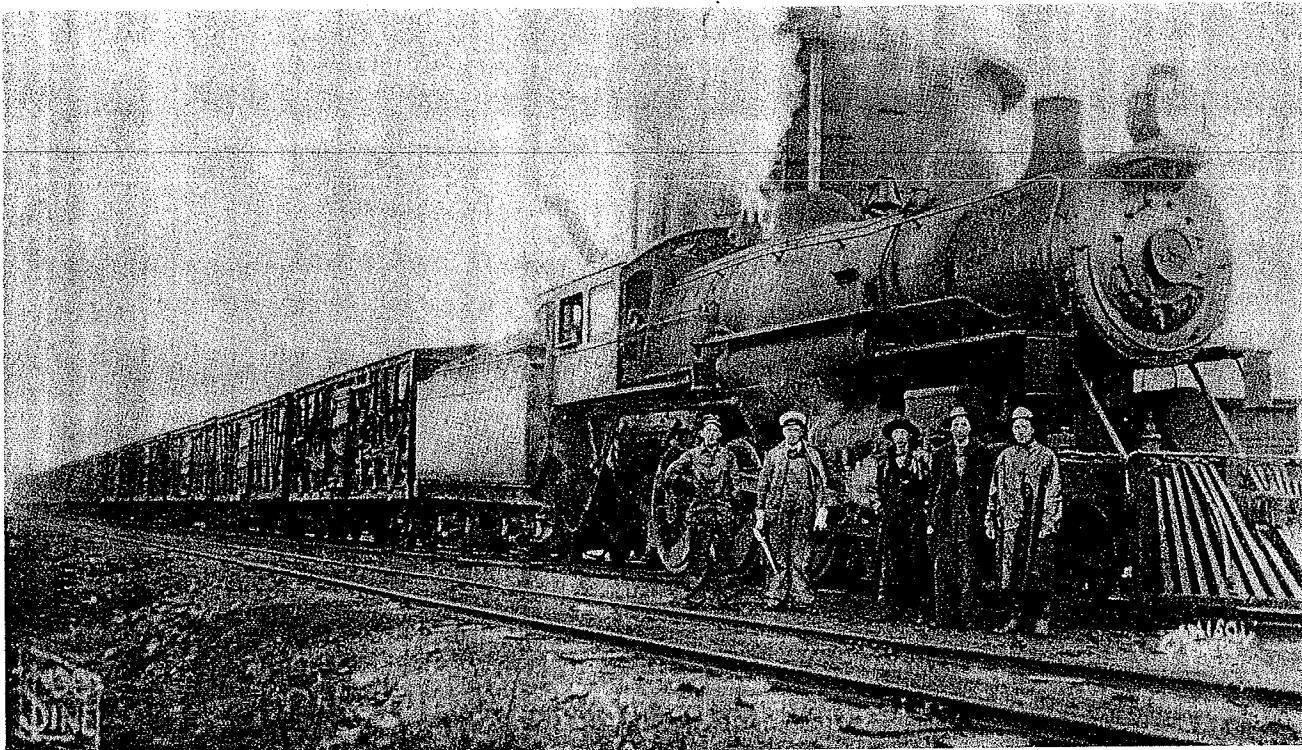
between Turtle Lake and Minneapolis closed with the construction of the Minneapolis and St. Croix Railway.

However, the 501 mile line to Sault Ste. Marie would solve only half of the problem for the Minneapolis millers. True, on January 8, 1888, the first train of flour, in five sections, departed Minneapolis for the east and thereby declared independence for the millers' flour movement to eastern markets. Yet this alone could not solve the problem of the movement of wheat to the Minneapolis area. Lines westward from the Twin Cities were moving the wheat to Duluth and transshipping by Great Lakes vessel to eastern markets, thereby again putting the millers in a bad position. With no wheat, they could make no flour and it was clear that not only did they need a railroad east, but also one to the wheat growing regions. Consequently they chartered the Minneapolis and Pacific Railway in 1884 and began construction in 1886. During that year, 218 miles were constructed to Lidgerwood, Dakota Territory.

During early 1887, the M&P was pushed through Oakes and all the way to Boynton. This last section of railroad, which was en route to Bismarck, was the last constructed under the name Minneapolis and Pacific.

A fourth railway entered the picture about this time. This was the trackless Aberdeen, Bismarck and Northwestern Railway. Incorporated in 1883, the company never laid a single rail. The company was drawn into the consolidation of 1888 and the grade was utilized by the Soo Line to push their trackage into Bismarck. It was ironic that the AB&NW had actually graded 210 miles of right of way from Aberdeen to Bismarck.

During 1887, the Minneapolis and Pacific, the Minneapolis, Sault Ste. Marie and Atlantic and the Minneapolis and St. Croix were all in varying states of financial difficulties. Aid came from the Canadian Pacific who mandated that all four railways be consolidated into one line. On June 11, 1888, the four railways were joined together into the Minneapolis, St. Paul and Sault Ste. Marie Railway with Thomas Lowry the



Early freight trains on the Soo Line were not long at all compared to today's standards. For instance, in 1908, this 16 car stock train was considered to be quite an efficient operation. (Minnesota Historical Society)

first president of the new Soo Line, as it became popularly known. The company owned and operated 737 miles of railroad.

In 1891 the company began construction of the main line route from Hankinson to Portal, North Dakota and a connection with the Canadian Pacific. This was to be the last major construction project for nearly ten years, and was completed in 1893. It was nine years later that the Soo Line entered Bismarck, North Dakota, and for the next decade the Soo would expand everywhere.

The Soo Line began construction northward from Glenwood, Minnesota to Winnipeg in the spring of 1903. The line was another rugged one with much of it passing through lake, marsh and bog country. Track would often sink and slide out of place and life was generally miserable for the construction crews. Thief River Falls was reached in the fall of 1904 and the third connection with the Canadian Pacific at Noyes, Minnesota was reached later in the year. The line later became the main line of the Winnipeg Division with headquarters at Thief River Falls.

Additional construction took place from Thief River Falls across North Dakota to Kenmare in 1905, a distance of 300 miles; from Drake to Fordville, 131 miles in 1906; Flaxton to Whitetail, Montana, 136 miles by 1913; Brooten to Duluth,

208 miles in 1908 and 1909, Plummer to Moose Lake, 193 miles in 1910 and the extension of the Frederic, Wisconsin branch to Duluth in 1911 and 1912. The year 1913 was the last major construction project on the Soo Line anywhere on the system including the Wisconsin Central, although it would turn out that this was not the end of Soo Line expansion activities.

The Rice Lake, Dallas and Menomonie Railroad was purchased in 1900 giving the Soo branch lines to Birchwood and Ridgeland, Wisconsin. The Bismarck, Washburn and Great Falls Railway came into the Soo camp in 1904, providing the Soo not only with its first Mikado, but a line north out of Bismarck to Underwood, North Dakota. In 1915, the Soo secured the Fairmont and Veblen between Grenville, South Dakota to Fairmount, North Dakota and also the Minnesota Northwestern Electric Railway between Thief River Falls and Goodridge. The Wisconsin and Northern was purchased in 1921 between Neenah, Wisconsin and Argonne or Wisconsin Junction.

Returning for a moment to 1911, the Soo Line undertook a massive line change on the Wisconsin Central between New Richmond, Wisconsin and Carnelian Junction, Minnesota. The new route eliminated at least 14 curves, some as sharp as 5 degrees, and grades as steep as 1.3 percent, and a shortening

of the rail route by 3½ miles. The new construction also included the famous bridge over the St. Croix River, which is 2682 feet long and 181 feet above the water. It includes five steel arches, and when built, could have been considered one of the engineering marvels of the world.

It is interesting to note that during those early years of the Wisconsin Central lease that the operating ratio of the Soo Line was as low as 56.0 in 1912 and 52.7 in 1910. It was a highly efficient railroad.

When checking early maps of the Soo Line from the early 1900's through to, even, 1950, the routes included a heavy black line from Trout Lake to St. Ignace. Although this was technically the DSS&A, the Soo Line did own at least one carferry jointly with the New York Central and Pennsylvania Railroads, the "Sault Marie."

Trouble was really brewing during the early 1930's with the depression. The first big problem was the Wisconsin Central, which in 1932 not only failed to earn its fixed charges, but also its operating expenses. As the owner of practically all of the WC's capital stock and large amounts of the bonds, the guarantor of some of its obligations, and the operator of the properties, the Soo Line made advances to the WC in excess of \$2,200,000 in 1932 alone to meet the deficits and to keep the properties in operation. The Soo Line could no longer provide such funds in 1933, and served notice of its intention to discontinue operating the property unless it was furnished with the funds to meet the coming deficits. The Wisconsin Central was unable to provide the funds.

In that situation, one of the Wisconsin Central bondholders obtained the appointment of a receiver with power, subject to the Court's approval, to provide the funds for continuing to operate the properties through the issue of receiver's certificates. The receiver immediately agreed with the Soo Line that it should continue to operate the WC in his behalf and be reimbursed for future deficits out of the proceeds of the receiver's certificates.

A protective committee of WC bondholders was then formed and took the position that the existing lease should be construed as requiring the Soo Line to continue to operate at its own expense the Wisconsin Central.

A whole new question developed as to whether or not the Soo Line could terminate the lease of the Wisconsin Central. It was indeed a dark hour, and history would have been changed if the WC had separated from the Soo Line. Eventually a court ruled that the Soo Line was entitled to terminate the lease, and then still another problem arose. It became questionable as to whether or not the Soo Line did give up the lease. In the middle of 1934, nobody really knew. By the middle of 1935, the Soo continued to operate the WC, but the question as to whether the lease was actually terminated was still not resolved. Basically, the original court decision still stood, but the controversy continued until 1938. Ironically, that year the Soo Line filed for bankruptcy and continued to lease the WC.

The Soo Line emerged from bankruptcy in 1944, while the Wisconsin Central set a record for the longest railroad receivership in history finally emerging in 1954.

In 1951, the Minneapolis, St. Paul and Sault Ste. Marie Railroad Company adopted its nickname "Soo Line Railroad"

as official for all except legal business. This was the name that would be selected for the merged company in 1961.

An interesting development took place on the Soo Line in early 1950 with the installation of the first major section of automatic block signals. The first segment was placed in service between Spencer, Wisconsin and Wheeling, Illinois. The types of signals and arrangements at sidings provided for a future conversion to centralized traffic control at a later date. Prior to this construction, the Soo operated only short segments of automatic block signals at Schiller Park yard, 2.3 miles; Duluth-Superior, 4.3 miles; and one mile on the Ashland ore dock line.

Additional signaling projects were completed from Minneapolis to Buffalo with CTC in 1961, and the automatic block signals with CTC from Spencer to Chippewa Falls by 1971. At the time of this writing, CTC extends from Schiller Park Yard to Chippewa Falls. There are a few scattered signal segments elsewhere on the system.

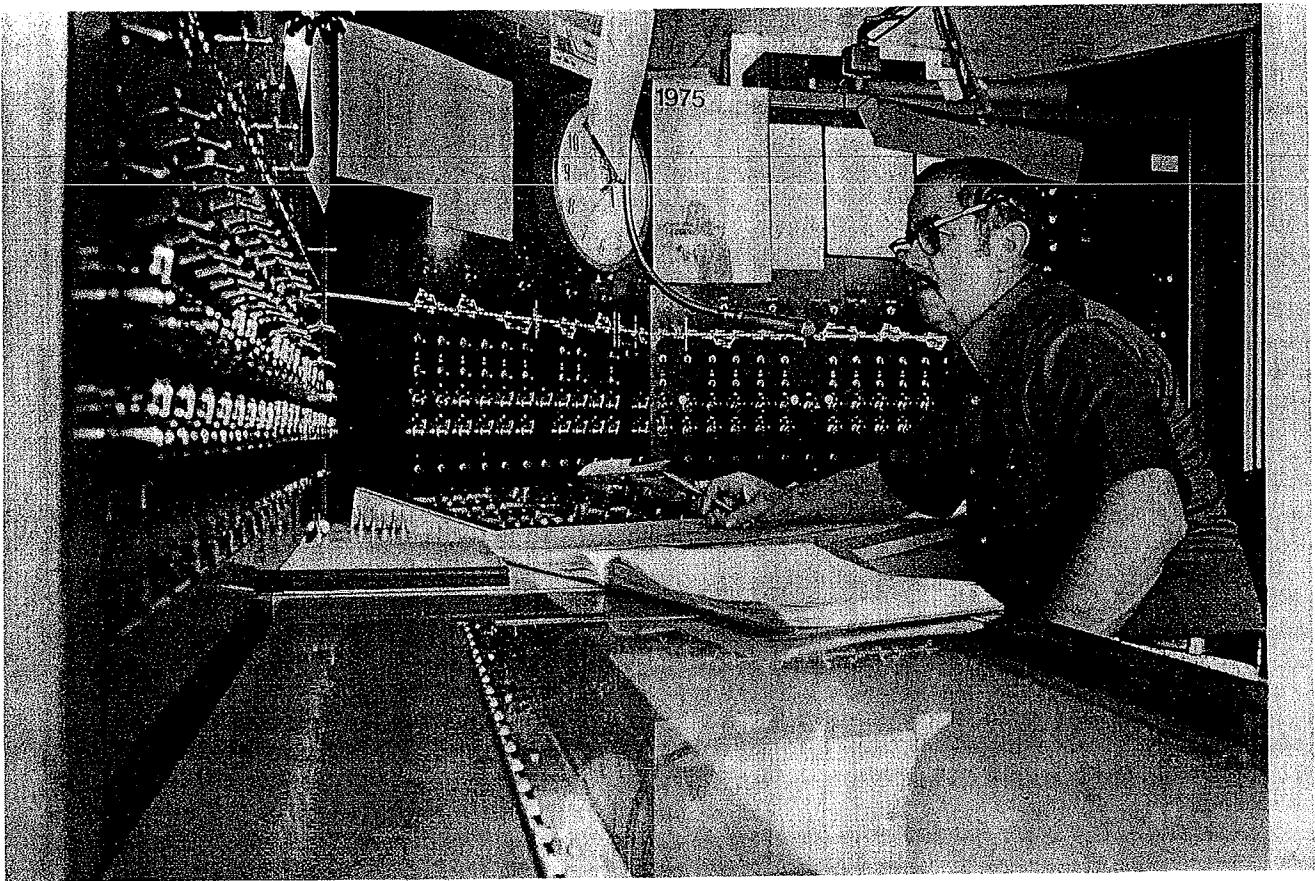
In 1951, the Soo sought to spruce up its freight equipment a bit, and splashed 4 foot letters "Soo Line" on its freight equipment. Known as traveling billboards, no one could miss the lettering, and for the conservative Soo to do this was almost unthinkable.

The practice has continued, and the famous \$ sign insignia has been all but forgotten. However, the Soo Line did not actually give up the insignia until January, 1975.

The biggest news in the late 1950's was the undertaking of a study to determine the possibility of a merger between the Soo Line, Wisconsin Central and Duluth, South Shore and Atlantic Railways. In a way, the study almost seemed to be superfluous. The Soo and WC were already intimately linked through stock ownership and lease, and the pair in turn were controlled by the Canadian Pacific with 51% ownership. The DSS&A, on the other hand, was owned completely by the Canadian Pacific. It was an easy merger, with easy approval by the stockholders and ICC. The new "Soo" became effective January 1, 1961 with the CPR holding 56% of the stock, thereby retaining controlling interest.

At the time of the merger, the Soo had five operating divisions: Minnesota, Winnipeg, Minneapolis-Duluth, Gladstone and Stevens Point. The DSS&A became the DSS&A Division including the Gladstone Division from Rhinelander east. The remainder of the old Gladstone Division was given to the M-D Division. On May 1, 1961, the Soo reduced the five divisions to three, Eastern, Central and Western. For the past fifteen years, there have been some minor changes in territory, but the basic three division system has remained intact.

In 1962, the Soo Line adopted a new color scheme of red, white and black, and still later that year was back on the merger bandwagon. The Soo and Chicago Great Western conducted merger studies, but terminated them sometime in 1963. It would have created a 6,200 mile system allowing the Soo to reach Kansas City and Omaha, but would have created a company with less Canadian Pacific stock ownership. It might be mentioned at this point that the CGW eventually became part of the Chicago & North Western Railway as did the Minneapolis & St. Louis Railway. The latter railroad did, at one point prior to 1954, attempt to lease the Wisconsin



The Soo Line has changed a lot during the past 90 years of operation. For example, the Centralized Traffic Control system from Chicago to Chippewa Falls was not even thought of in 1885, but yet 90 years later it was a full blown operation. This Soo Line photo illustrates the size of the CTC board governing train operations on the Eastern Division.

Central Railway. It could be considered something of a small miracle that the Soo Line even exists today with the one time Northern Pacific lease of the Wisconsin Central, the depression problems of whether the Soo Line even retained the lease, and the final attempt by the M&StL to lease the WC a scant 6 years prior to the Soo Line merger.

It can be said that the Soo Line merger has been one of the most successful, if not the most successful. Financially and operationally, the company has improved consistently since 1961. Gross revenues in 1961 were just about \$75 million with a net of only \$820 thousand. Gross revenues in 1976 were over \$189 million with a net income of over \$16 million. Quite a change from 1961. In addition, the Soo could proudly claim that the rate of return after deferred income taxes was 6.2%. Gross revenues in 1977 were \$217 million with net income \$18.8 million and rate of return on investment equalling 6.8%, figures few railroads can equal.

In closing, it should be remarked that the Soo Line had about the cleanest construction period and consolidation and/or merger growth of any U.S. railroad. Aside from the Wisconsin Central, it was not a land grant railroad. The Wisconsin Central participated in land grants only on the portion from Menasha to Ashland, and even at that, the WC turned back to the State of Wisconsin 131,740 acres of worthless land on which taxes had been paid for 69 years. (It should be noted by the reader that only 8% of all railroad mileage in the U.S. was built with land grant aid.) Further, the land grant to the WC cost the Soo Line millions of dollars in lost revenues for the reduced freight, mail and passenger rates and fares for nearly 75 years. Obviously, there was no government subsidy here.

Yet the Soo Line survived to become one of the healthiest railroads in the U.S., while even its next door neighbor, the Milwaukee Road, is now bankrupt. The management and employees of the Soo are apparently doing something right!

Chapter 2

Leasing the Wisconsin Central Railway

The Soo Line leased the Wisconsin Central in 1909, and this method of expansion placed the Soo Line into important centers, such as Chicago and Milwaukee. Further, it added over 1000 miles of line to the Soo system.

The Wisconsin Central, however, continued to exist. The identity and ownership was displayed by two small letters "WC" on all Wisconsin Central equipment. The accounting system and revenues were kept separate as well as expenses. Even though all WC equipment proudly carried the "Soo Line" reporting marks and insignias, the WC was for all practical purposes a separate railroad.

The Wisconsin Central was one railway built for which there was a need for such transportation. Wisconsin was covered by a huge forest extending from Portage to Green Bay to Lake Superior on the south, east and north to the St. Croix River on the west. It was proposed that the Wisconsin Central be built to tap this vast area, which also included vast iron ore deposits in the Ironwood, Michigan area.

Congress granted the Wisconsin Central land grants to provide for the construction of a railway from Menasha to Ashland to Superior, Wisconsin. (However, the WC failed to construct the Ashland-Superior segment, and the grant was withdrawn and granted to the Northern Pacific, see Chapter 1, Canadian Pacific Railway, Superior Publishing Company, 1974.) Altogether, the WC was assigned 2,387,000 acres, of which the Wisconsin Central eventually was to pay dearly in the form of low government imposed rates for all forms of Federal traffic. This condition contributed to the WC lengthy bankruptcy.

Construction of the WC began in 1871 when Reuben M. Scott's organization was awarded a sub-contract to build the first division of the road from Menasha to Stevens Point, a distance of 63 miles. This section of railroad was built in record time, having been completed in 120 days. The line was constructed with 57 pound rail and hand hewn ties, which was adequate for the 35 ton engines of that period of time. The year 1871 is actually the earliest date of construction for the Soo Line Railroad Company of today with the first shovel of dirt being turned on June 15th in West Menasha. However, it should be remarked that in 1871, no one had even thought of the Soo Line let alone the 4,000 mile system it would eventually become.

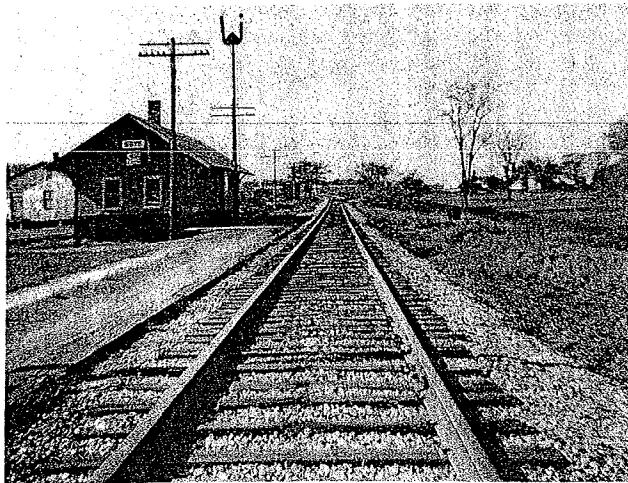
It was October, 1871 when train service actually began. The road was completed and ready for service from Menasha to Waupaca, a distance of 35 miles, and two mixed trains daily were operated between the two points. Trains 1 and 2 were scheduled for three hours, forty five minutes between terminals. The old WC was constructed as a north-south operating railroad (in contrast to the Soo Line's east-west operation) with train 1 operating north bound and 2 running southbound.

The first train rolled into Stevens Point on November 15, 1871. The arrival of the train was celebrated by not only the Wisconsin Central but also the townspeople and was hailed as the first step in making Stevens Point the foremost railroad center in Northern Wisconsin. Indeed Stevens Point, today, is the Soo's headquarters for the Eastern Division and a major yard and crew change point.

Construction to Stevens Point had been a relatively easy task. The area is a gentle rolling topography, and even in 1871 was relatively well settled. However, from Stevens Point northward, it was unbroken forest all the way to Lake Superior. Construction north of Stevens Point began on March 18, 1872 and 51 miles of track was completed to what is now Colby, Wisconsin by September. The end of track was named Colby in honor of Charles L. Colby, one of the road's early builders and the son of a financier who provided much of the WC's fiscal backing during the road's neophyte period.

In October of 1872, a special inspection train was run from Menasha to Colby with many dignitaries including Wisconsin Governor Taylor, state officers, newsmen and the Wisconsin Central officials. It was a time of great celebration and hopes were high as to the benefits of the Wisconsin Central would bring to north central Wisconsin. It should also be mentioned here that in 1872, freight and passenger traffic had come into its own on the first section of railroad and several trains a day were operating between Stevens Point and Menasha.

The Wisconsin Central moved their general offices from Menasha to Milwaukee in 1872, and at the same time moved the operating headquarters to Stevens Point. A new roundhouse was constructed of native stone with an iron roof and iron service doors. It consisted of six stalls, each with a pit and inter-stack hood. The repair shops were also expanded. It is inter-



After the lease of the WC by the Soo Line, it can be said that the Central was **Soo Lineized** as rapidly as possible. Wisconsin Central depots and trackside structures were repainted to Soo Line specifications, and depot signs often included "SOO" insignias replacing the WC Shield. Unless one was aware of the Wisconsin Central lease, no one could tell by the depot at Boyd, Wisconsin that this was the WC high iron—prior to 1961 of course. (A. Robert Johnson)

esting to note that in 1936, the shops were torn down and the brick used to build a high school athletic stadium for the Stevens Point public schools.

The next step in Wisconsin Central construction was to take a look at a northern terminal and decide how to expand to the south. The original northern objective was Bayfield, Wisconsin. However, later it was decided that the geographical location of Bayfield would not be a suitable terminal area for the road, and a site of what is now Ashland would be far better. Interestingly enough, the city of Ashland was originally known as Equadon and was founded in 1854. However, the early settlers and other people simply give up on the town and abandoned the whole works in 1863. Indeed, the white population on the shores of Chequamegon Bay was only 5 in 1870. However in 1871, a large number of settlers poured into the area as lumbermen recognized the strategic location of Ashland; it became the center for logging and lumber operations. Indeed in 1978, Ashland is still a center for forest products but not to the same extent as a century ago. With the events of 1871, the Wisconsin Central officials decided it was imperative to construct the road south from Ashland, while at the same time, the company would begin constructing trackage northward to meet somewhere in the middle.

The Bayfield Press in May, 1872 reported that the first shovel full of dirt was turned on April 15, 1872 by Aseph Whittlesey, an early pioneer of Ashland.

It was not an easy task. Indeed, only six miles of railroad were constructed by winter time, and they were stopped short of the White River ravine. A huge bridge had to be constructed, 1600 feet long and 110 feet high. It was a huge undertaking in the isolated location. The bridge required a 6 MPH slow order. In 1910, the Soo Line put in an earth fill and the bridge was sold for junk. The steel bridge was one of the greatest railroad sights in all of Northern Wisconsin, and when one

considers the year in which it was built and its location, it was indeed the spectacular achievement of railroad construction in 1873.

The railroad was completed from Ashland to the Penokee Gap around October, 1873. About the same time, plans were made to build the Chequamegon Hotel in Ashland. The Wisconsin Central completed this beautiful building in 1877, and became one of Ashland's leading tourist attractions. The hotel was located two blocks north of the depot and was easy walking distance from train to downtown Ashland. The Wisconsin Central, with its hotel, was merely doing what the Canadian Pacific continues to do in the 1970's, building and operating fine hotels. As a matter of trivia, the hotel was dismantled in 1907 and never came under Soo Line operation. Although there had been forest fires in the area, the hotel never burned as was the case with many other hotels. Part of the hotel became the Menard Hotel, three blocks north of the Chicago & North Western station around 1908. The Menard Hotel did burn to the ground on December 31, 1956.

The Penokee Gap is approximately 30 miles south of Ashland. This section of railroad was extremely costly to build and required not less than 61 bridges. Still another high bridge, besides the White River bridge previously mentioned, was constructed across Silver Creek. This one measured 860 feet long and 90 feet high over the water surface.

The Gap is a break in the rough country south of Lake Superior. The Bad River carved out a route for itself through the Iron Range hills on its way to Lake Superior. The Gap was once part of the route of the copper miners of prehistoric times who traveled from Mexico to Isle Royal in Lake Superior to secure copper.

After the Wisconsin Central reached the gap in 1873, the company made no more further progress south for at least four years. However, train traffic was relatively heavy. It was the only way south out of Ashland. From the end of steel at Penokee, travelers made their way south on foot, snowshoes, or in wagons or sleds to the unfinished north end of the WC at Worcester, a distance of 57 miles. This method of operation was typical from 1874 through 1876. The section of railroad from Colby to Worcester had previously been completed on January 6, 1874.

A depression in 1873 plus a scandal contributed much to the Wisconsin Central being unable to close the gap between the north and south ends of the incompletely railroad. There was some other construction at this time with a branch line to Portage from Stevens Point completed in 1876. The plan behind this construction project was to eventually build all the way to Chicago. The company had leased the Milwaukee and Northern Railroad in November, 1873 to secure entrance to Milwaukee from the Menasha area, but they were not entirely satisfied with that arrangement. For example, they had to use the Chicago, Milwaukee and St. Paul Railroad into Milwaukee proper and the WC did not have its own terminal. The same arrangement still holds true in 1978 as the Soo Line still has trackage rights into Milwaukee, and uses the Milwaukee Road terminals. The Wisconsin Central did not complete construction until 1886.

In July, 1876, the company resumed construction from Worcester and completed the 32 miles to Butternut by December 8th. On May 19, 1877, the north and south ends of the railroad were joined together at what is now Glidden. The Wisconsin Central was now a firm reality.

PV

June 16, 1877 is a date to remember in Wisconsin Central history. The first through trains were placed in service providing uninterrupted transportation between Ashland and Milwaukee without changing trains or cars. The routing consisted of the WC from Ashland to Menasha and the Milwaukee and Northern from Menasha to Milwaukee. Freight and passengers were transferred to The Milwaukee Road for Chicago delivery.

The Wisconsin Central leased the Milwaukee and Northern until 1882. Shortly after, the M&N became part of the Milwaukee Road.

Meanwhile, the Wisconsin Central began looking elsewhere for additional business. In 1880 they completed the construction of the Wisconsin and Minnesota Railroad Company from Abbotsford to Chippewa Falls and connected with the Chippewa Falls and Western to Eau Claire. At Eau Claire, the WC turned over the freight and passenger business to the Omaha for Twin Cities delivery. The WC had literally become a bridge line and dependent upon friendly connections to handle traffic to and from the Twin Cities and Chicago. Clearly this was a situation that a growing railroad could not live with despite the aid the Milwaukee Road had given the WC.

In 1881 the decision was made to head south to Chicago. The Milwaukee and Lake Winnebago Railroad was incorporated in March, 1882. The new route paralleled that of the C&NW from Neenah to Fond du Lac, 30 miles; and then another 33 miles to Slinger where connection was made with the Milwaukee Road for operation into Milwaukee, 32 miles distant. This section of railroad was completed on December 18, 1882.

Faster passenger service on the WC from Chippewa Falls to Milwaukee was more than the Omaha and the Milwaukee Road could swallow. Relations with the two roads became strained. Consequently, the WC incorporated several railroads to construct the gap from Chippewa Falls to St. Paul. To begin with, there was the St. Croix and Chippewa Falls Railroad incorporated March 15, 1884 and the St. Paul and St. Croix Railroad, incorporated April 4, 1884. The latter two corporations were consolidated into the Minnesota, St. Croix and Wisconsin Railroad on June 28, 1884. The section of railroad from Chippewa Falls to the west of the St. Croix River valley is extremely rough with many hills and ravines occurring in regular succession. St. Croix River was bridged as inexpensively as possible with sharp grade descents to both approaches and was a real operating problem until 1909. At that time, a new bridge was constructed 4600 feet long and 184 feet above the water. The line to St. Paul was completed on December 28, 1884. Early in 1885, through passenger service was established between St. Paul and Milwaukee, and a whole new set of problems erupted from the Milwaukee Road.

These new difficulties prompted the WC to waste no time in constructing their proposed line to Chicago, which was completed in February, 1886. The Wisconsin Central was virtually complete except for its line projected from what is now Mellen to Bessemer, Michigan and the line to Duluth, Minnesota.

About 1890, the Northern Pacific leased the Wisconsin Central. However, a business slump in the early 1890's terminated this arrangement in 1893. The Wisconsin Central once again was on its own. How different history might have been if the NP had retained the WC. The Burlington North-

ern would have been all over Wisconsin and the Soo Line would never have achieved the prominence it holds today, both financially and the service provided to the middle-west.

In 1900 the Wisconsin Central extended from Chicago to St. Paul and Minneapolis with branch lines extending from Rugby Junction to Milwaukee (trackage rights on the Milwaukee), Neenah to Manitowac, Stevens Point to Portage with a short branch to Montello, Marshfield to Greenwood, Abbotsford to Ashland with an additional branch from Mellen to Bessemer. The grand total mileage including trackage rights was 1148 miles. A major construction was still yet to come.

On May 24, 1904, the Owen and Northern Railway Company was incorporated to build a line from Owen to Ladysmith. On October 8, 1904, the Lake Superior and Southeastern Railroad Company was chartered to construct the line from Ladysmith to Superior. The entire distance from Superior to Owen is about 152 miles. Again this was an area of rough construction. The entire area from Ladysmith to Superior contains some of the most extensive lowlands and blueberry marshes in the entire state of Wisconsin. Fifty bridges were needed to carry the new railroad through Sawyer and Douglas counties into Superior. The final portion of the Duluth extension was opened for traffic on January 14, 1909, but passenger service did not begin until 1910. The Duluth extension was the last major construction of the Wisconsin Central, and it happened at a time when a major change took place in the WC corporate structure.

In 1908, the Soo Line, officially known as the Minneapolis, St. Paul and Sault Ste. Marie Railway, acquired ownership of the majority of the outstanding capital stock of the Wisconsin Central. On April 1, 1909 the control of the WC was transferred to the Soo. However, this lease was more of an operating agreement than anything else. The Soo Line did not participate in the profits realized or the losses sustained in the operation, nor did it pay a rental fee of any kind. The Soo Line simply operated the Wisconsin Central from 1909 through 1960. On January 1, 1961, the Soo Line, Wisconsin Central and Duluth, South Shore and Atlantic Railways merged into a new company, the Soo Line Railroad Company. All Wisconsin Central equipment during the lease was painted Soo Line with the number series and the small initials WC indicating ownership.

As far as color schemes go, the Wisconsin Central was to influence the Soo Line with its deep wine red passenger equipment and gold leaf lettering. This influence later spread to the Canadian Pacific. The wine red color scheme existed from 1882 until 1962, a grand total of eight decades of a trade mark that is sadly missed by many along the entire Canadian Pacific system, including the Soo Line.

Observers today can still see the WC initials on some freight equipment that has not been rebuilt or repainted since the 1961 merger date. Most of the Wisconsin Central trackage in 1978 is buried in the Eastern Division, which also includes much of the original Soo Line east of Ladysmith, Wisconsin and all that is left of the once proud Duluth, South Shore and Atlantic Railway. Consequently, the WC is fading from memory for many people but the fact still remains, if it were not for the WISCONSIN CENTRAL, the Soo Line Railroad would be the weakest sister in the late Twentieth Century Railroad Industry.

Primary Source: History of the Wisconsin Central, Railway and Locomotive Historical Society.

A HISTORY OF THE CANADIAN PACIFIC RAILWAY

BY

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1923

year. This line from Montreal to Mattawaamkeag was constructed and acquired in sections by the Canadian Pacific Railway, was provisionally extended farther eastward by an agreement with the Canadian Government on April 8, 1889.¹ This agreement was superseded by a more fortunate arrangement in the acquisition on July 1, 1890, by a 990-year lease, of the New Brunswick system which gave the company a direct line to St. John. In September an agreement was made with the Intercolonial for an exchange of traffic at St. John for Halifax. The company had finally secured an outlet to the Atlantic board over a line 279 miles shorter between St. John and Montreal, and 101 miles shorter between Halifax and Montreal, than the Intercolonial route.

The energies directed to the prosecution of a through line from Montreal to the seaboard were stimulated and accompanied by an increase in traffic with the improvement in construction of through connexions west of Montreal. Competition with the Grand Trunk for trunk line traffic caused Canadian Pacific was obliged to carry traffic to Moncton.

¹ The Government agreed to build a road from a point of junction with the New Brunswick Railway, near Harvey, to a point of junction with the Intercolonial Railway near Salisbury and to lease this road to the Canadian Pacific Company for 990 years, in perpetuity to the company. The agreement further provided for carrying of freight between points west of Maine and Intercolonial east of Moncton either way. The Intercolonial was entitled to the division of rates. These divisions were based on a constructive equal to the distance from Halifax to Moncton plus 15 per cent of the constructive distance and the actual distance carried by the lessor. The through rate was prorated. But it was not entitled to a proportionate share of the actual mileage, provided that on intermediate local points on the Intercolonial, that road was entitled to its proportionate share of the through rate for the portion of the road over which the freight was carried. On freight between points operated by the Canadian Pacific east of the west boundary of the Province of Maine and Intercolonial points east of Moncton either way, the rate was prorated on the actual mileage, provided that on intermediate local points on the Intercolonial, that road was entitled to its proportionate share of the through rate for the portion of the road for the next junction or terminal points eastward, and that on points to and from local points on any line operated by the company between Fredericton, from and to Intercolonial points east of Moncton either way, each party was entitled to its local tariff rates. Further arrangements were made as to passenger traffic and the establishment of a route from Montreal to Halifax. For these rights the Canadian Pacific Company agreed to pay \$1 per year for the first twenty years and thereafter \$73,400 per year payable half yearly and to pay the charges as though it was the owner of the road. Repairs and maintenance between Salisbury and Moncton were paid on whelbage basis. At Fredericton was leased in perpetuity, the rent consisting of maintenance and repairs. *Sessional Paper*, No. 364, 1889, p. 285.

Smith Falls and Ottawa. To improve its relative position a direct line was built from Smith Falls to connect with the lines of the Atlantic and North-Western Company at Montreal and completed in 1887. To regain control of this traffic and of the Toronto-Montreal section the company constructed a branch from Leaside connection to Bay St., Toronto, and improved facilities² at a later point. Difficulties³ with the connexions at St. Catharines led to the extension of the road from Woodstock to London in 1887⁴ and to Windsor in 1888-9.⁵ A steel ferry was constructed on the Detroit River and final agreements with American roads placed the Canadian Pacific on an entirely competitive basis with the Grand Trunk for the traffic of the middle western states. To secure a larger share of traffic from the north-western states, control was obtained of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company and of the Duluth, South Shore and Atlantic Railway Company. The Canadian Pacific was extended from Algoma to Sault Ste. Marie and connexions were made at that point with the Minneapolis in 1888⁶ and with the Duluth Railway in 1889. The result of increased traffic from these connexions, improvements were necessitated on the line between Sault Ste. Marie and Chalk River. The alignments were improved and the grades reduced to a maximum of 40 feet per mile going west and to a maximum of 35 feet per mile going east.⁸ Same reason the Montreal and Ottawa railway was extended to a maximum of 35 feet per mile going east on November 15, 1892, and a line from Ottawa to Chalk River, 87 miles, was completed in 1898. This improvement through connexions was continued on the western end of the line. With the approaching pressure of traffic from western Canada, the section between Lake Huron and Winnipeg was improved by the replacement of wooden bridges with permanent embankments in 1888.⁹ Following years. The indirect route of the Canadian Pacific to the west was increasingly used. The connexions and an agreement was made in 1888 with

² *Ibid.* 1889.
³ *Ibid.* 1888.
⁴ *Ibid.* 1889.
⁵ *Ibid.* 1887.
⁶ *Ibid.* 1888.
⁷ *Ibid.* 1889.
⁸ *Ibid.* 1890.

⁹ *Ibid.* 1886.
⁶ *Ibid.* 1887.
⁸ *Ibid.* 1888.

1912 from Refford to Kelfield; in 1914 from Coronation to Lorraine, 19 miles, and in the same year from Suffield to Lomond, 84 miles. Under the charter of the Alberta Central Railway a line from Red Deer to Loch Earth, 11 miles, was acquired in 1912. In the same year the Alberta Railway and Irrigation Company, leased on January 1, 1912, roads with a line from Lethbridge to Coutts, and over branch lines from Stirling to Cardston, 67 miles, and from Raley to Lethbridge, 8 miles. The leases of the Edmonton, Dunvegan and British Columbia from Edmonton to Grand Prairie, 100 miles, and of the Central Canada Railway from McLean to Peace River Crossing, 48 miles, in 1920, and to Berwyn, 25 miles, in 1921, gave the company access to the Peace River district. With these branches and connexions the company possessed a network of roads which ensured its position in western Canada.

The expansion of the system and the consequent development of traffic in western Canada influenced construction in British Columbia and in Ontario. Partly as a result of this traffic, but particularly as a result of the continued development of traffic in British Columbia, lines were constructed in that area to connect with the main line. August 31, 1901,¹ the Vancouver and Lulu Island Railway consisting of a line from Steveston to English Bay, 14 miles, was leased. In 1905 the company purchased² the Esquimalt and Nanaimo Railway on Vancouver Island. Purchase included a line from Victoria to McBride's Junction, 18 miles, which was extended to Alberni, 40 miles, in 1911. In the following year, a line was built from Dunraven to Cowichan Lake, 19 miles, in 1913 to Osborne Bay, 3 miles, and in 1914 to Comox, 45 miles. In 1915 connexions were made with Spokane by a branch to Kettlegate, 10 miles, and to Grand Forks, 4 miles. A line was built from Ehaine Junction to New Westminster, 10 miles, in 1909, and short branches from Port Moody to New Vancouver in 1910, from Three Forks to Whitewater, 10 miles, from Waldo to Caithness, 11 miles, in 1912. The Kootenay

¹ was acquired in 1910, and in 1914 a line had been built from Golden to Colvalli, 166 miles, connecting the line with the Crow's Nest Pass line, and giving an alternative rail route through the mountains. In 1909 the "Hill" Grade between Hector and Field was reduced by the construction of spiral tunnels. Further connexion with the main line was afforded in the lease³ of the Kettle Valley in 1913 from Midway to Carmi and its extension to Hope on the main line, 277 miles, in 1915. This line was removed by the construction of a branch from Merritt to Summit, 30 miles. With the acquisition of the Kaslo Ocean Railway, in 1918,⁴ from Retallack to Kaslo, 18 miles, the company had effectively consolidated the traffic of British Columbia and provided for connexions with the main line which gave practically a through route other than the main line from Vancouver to Winnipeg.

The development of traffic in the west by the construction of branch lines and of through connexions and the pressure of traffic on the main line and especially the portion of the main line leading to the Atlantic seaboard was of dominant importance to construction in eastern Canada. The gradual development of alternate routes in the extension of the main line to the Great Lakes and British Columbia was an effect of increased traffic. In the eastern provinces the effects were more pronounced. To accommodate the traffic of western Canada a double track was completed in 1907 between Winnipeg to Fort William⁵ in 1907, and westward to La Prairie, Brandon and Regina in 1910 and the latter in 1911. In the same year a short cut was built from Molson to Whittier Junction. Largely under pressure of the same traffic, the Wisconsin Central Railway was opened⁶ in 1909 to the Minneapolis, St. Paul and Sault Ste. Marie Company, giving a direct line to Chicago and an alternate route from western Canada by Chicago and Detroit to Montreal. To shorten the line to the seaboard by the Lakes, the terminal was changed from Owen Sound to Port McNicoll, and, under the charter⁷ of the Georgian Bay and Seaboard Railway, a road was built from this point

¹ *Ibid.*, 1913.
² *Ibid.*, 1905.
³ *Ibid.*, 1913.
⁴ *Ibid.*, 1909.
⁵ *Ibid.*, 1907.
⁶ *Ibid.*, 1918.
⁷ *Ibid.*, 1912.

to \$34,201,740. In the earlier period following earnings and the operating ratio, and the result of dominating these items, net earnings increased in 1884, and increased steadily to 1892. With recovery from the depression brought a decline to 1894. With recovery, earnings increased to 1899, and with the exception of a decline in 1901, in 1904 and in 1908, this increase continued to 1913. A decline followed in 1914 and 1915, but the low point was reached in 1916. In the later years they declined to 1919, rising slightly in 1920 and in 1921. Net earnings per mile varied with mileage and net earnings in

B OTHER INCOME

Fluctuations in other income largely followed fluctuations in net earnings from operation, and were largely the result of the same movements. Interest on loans and deposits as an item of this classification fluctuated to some extent with net earnings and was predetermined by earnings, which made possible a financial policy on the part of the company permitting the direction of resources to liquid investments. The expansion of the road system occasioned the growth of net earnings was characterized by integration and the acquisition of other roads. Expansion was principally accomplished through the purchase of securities which in interest and dividends

"other income."¹ The dependence of "other income" on the ownership of securities of subsidiary companies, "loans and deposits," and on the reclassification of earnings from ocean and coastal steamship lines, and commercial telegraph and news department, and of from land sales, occasioned marked changes in the period ending with the century the subsidiary the Duluth, South Shore and Atlantic Railway, Minneapolis, St. Paul and Sault Ste. Marie Railway important contributors, income from these companies from \$203,603 in 1892 to \$1,150,199 in 1899, two-thirds of total "other income" in the latter fluctuations during this decade followed the difficulties of these roads during the period of depression and payment of aid. After 1900 the acquisition of other companies, the addition of new accounts, and the rapid expansion of the road with the consequent increase in net earnings and in surplus available in liquid forms, brought a though fluctuating rise. In 1921 "other income" was \$10,987,189, of which \$2,307,332 came from investment and other resources (Exhibit C), \$1,840,866 from dividends on other securities, \$2,778,615 net from ocean and coastal steamship lines and \$86 from the commercial telegraph and news departments, rentals and miscellaneous. Par value of hotels,

Net earnings per mile, 1832-90 :
 1832 . . . \$633.30 1885 . . . \$708.78
 1888

1961 . III

192
3,548.62

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